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**AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND
EASEMENTS
FOR THE
EAST RIDGE ESTATES COMMUNITY**

WELCOME!

We are pleased that you have decided to become a member of the East Ridge Estates Community. The following document is the Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements that will govern the Community. The purpose of the Declaration is to:

- Set forth basic residential use restrictions to protect you and your neighbors from undesirable or noxious uses by others in the Community.
- Set forth the rules by which the Community will govern itself through the East Ridge Estates Community Association, Inc.
- Set forth the procedure for budgets and assessments for Community expenses.
- Provide for the maintenance and improvement of the Community common areas.
- Set forth the rules by which the Community will resolve problems and disputes in a fair, impartial, and expeditious manner.

Please read this entire Declaration carefully. It sets forth the rights and obligations of you and the other Community members. We make no representations of any kind (express or implied) through any agent, realtor, employee, or other Person regarding the Community except as set forth in this Declaration. We expressly disclaim any representations, warranties, statements, or information about the Community not set forth herein.

DECLARATION HIGHLIGHTS

Please read this entire Declaration carefully, but we would like to highlight a few key provisions that may be of interest to you:

- Assessments: Owners of each of the Lots are subject to Assessments. Regular Assessments may be adjusted from time-to-time, but will not increase by more than 10% per year, nor will a Special Assessment issue without the Association giving each Owner prior notice and opportunity to object at an Association meeting. With limited exceptions, the transferee of each Lot is required to pay a Transfer Assessment, the amount of which is set by the Board from time to time. See [Article 5](#).
- Association Management: The Association will be managed by the Grantor during the Initial Development Period (where the Owners would find the management to be unduly burdensome). See [Section 10.2](#). Thereafter, the Association is governed by the Owners as desired. See [Article 2](#).
- Irrigation: The Association will provide pressurized irrigation water to each Lot as a common expense. See [Section 3.13](#).
- Pets: Owners may have up to two household pets. See [Section 3.8](#).
- Yard Signs: Customary "For Sale", open house, construction, and political signs are permitted, but with strict limitations. No other signs are permitted. See [Section 3.17](#).
- Leasing: Owners may lease to such Owner's family at any time, and may lease to others provided the lease term is six (6) months or longer. See [Section 3.2](#).
- Holiday Lights: Permitted from November 15 to January 15. See [Section 3.21](#).
- Basketball Hoops: Only permanent basketball hoops, concreted in the ground with a metal pole, are permitted within the Community, and no such basketball hoops may be installed without the prior written approval of the Committee. See [Section 3.4](#).
- Trampolines: Only in-ground trampolines with the tops thereof flush with the finish dirt grade of the Lot are allowed within the Community, and no such trampolines may be installed without the prior written approval of the Committee. Above-ground trampolines are expressly prohibited. See [Section 3.4](#).
- Fencing: Fences require the prior written approval of the Committee. See [Section 4.3](#).
- Trash Cans: Trash cans and other trash receptacles, including recycling cans and receptacles, will not be visible except between 5:00 AM and

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**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR THE
EAST RIDGE ESTATES COMMUNITY**

This Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for the East Ridge Estates Community (this “**Declaration**”) is made effective as of July 19, 2019 (the “**Effective Date**”), by C15 LLC, an Idaho limited liability company (“**Grantor**”). Capitalized terms not otherwise defined in the text hereof are defined in Article 1.

WHEREAS, Grantor is the “Grantor” under that certain Declaration of Covenants, Conditions, Restrictions, and Easements for the East Ridge Estates Community recorded in the real property records of Ada County, Idaho as June 26, 2019 as Instrument No. 2019-055436 (the “**Original Declaration**”).

WHEREAS, Grantor has not sold any Lots and has not otherwise terminated its rights under the Original Declaration, and therefore the Community is still in the Initial Development Period as such terms are defined and described in the Original Declaration.

WHEREAS, Section 13.1 of the Original Declaration provides that during the Initial Development Period, “Grantor shall have the exclusive right to amend, or terminate, [the Original Declaration] by executing a written instrument setting forth such amendment, or termination, and the same shall be effective upon the recordation thereof with the Ada County Recorder’s Office.”

WHEREAS, pursuant to Section 13.1 of the Original Declaration, Grantor hereby amends, supersedes, and replaces in its entirety the Original Declaration with this Declaration.

WHEREAS, Grantor owns that certain real property legally described as follows (collectively, the “**Community**”):

Lots 2 through 23 in Block 1; Lots 2 through 15, and 18 through 20 in Block 2; and Lots 1 through 3 in Block 3 of Impressive East Ridge Subdivision No. 1, according to the official plat thereof recorded in the real property records of Ada County, Idaho in Book 116 of Plats at Pages 17499 – 17501, Instrument No. 2019-45773 (the “**Initial Plat**”).

WHEREAS, Grantor desires to execute and record this Declaration to set forth the basic restrictions, covenants, limitations, easements, conditions, and equitable servitudes that will apply to the Community, which are designed to protect, enhance, and preserve the value, amenities, desirability, and attractiveness of the Community and to ensure a well-integrated, high quality development.

NOW, THEREFORE, Grantor hereby declares that the Community, and each Lot, parcel, and portion thereof, is and will be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved in accordance with this Declaration, which is hereby declared to be in furtherance of a general plan to protect, enhance, and preserve the value, amenities, desirability, and attractiveness of the Community and to ensure a well-integrated, high quality development. This Declaration will: (a) run with the land and will be binding upon any Person having or acquiring any right, title, or interest in any Lot, parcel, or portion of the Community; (b) inure to the benefit of every Lot, parcel, and portion of the Community; and (c) inure to the benefit of and be binding upon Grantor and each Owner having or holding

any right, title, or interest in any Lot, parcel, or portion of the Community, and their successors, heirs, and assigns.

ARTICLE 1 DEFINITIONS

“**ACHD**” means the Ada County Highway District.

“**Articles**” means the Articles of Incorporation of the Association.

“**Assessments**” means the Regular Assessments, Special Assessments, Limited Assessments, and Transfer Assessments, together with any late charges, interest, and costs (including without limitation attorneys’ fees) incurred in collecting the same.

“**Association**” means the East Ridge Estates Community Association, Inc., an Idaho nonprofit corporation.

“**Board**” means the Board of Directors of the Association.

“**Bound Party**” has the meaning set forth in Section 9.1.

“**Budget**” has the meaning set forth in Section 5.6.

“**Building Envelope**” means the area within a Lot where a residential structure and accessory structures may be located, always subject to the Committee’s approval. Unless otherwise designated by Grantor or approved by the Committee, the Building Envelope is that portion of the Lot not located within easements or setback required by this Declaration, the Plat, or applicable law.

“**Bylaws**” means the Bylaws of the Association.

“**Claims**” has the meaning set forth in Section 9.1.

“**Committee**” means the Architectural Review Committee identified in Section 4.1.

“**Common Area**” means (a) any real property designated by Grantor as Common Area to be owned and maintained by the Association in any Plat or Supplemental Declaration or by granting or reserving it in a deed or other instrument; (b) all real or personal property, if any, held by or for the benefit of the Association, including storage facilities, recreational facilities, and open spaces (including paths, greenbelts, and other areas that may also be open to the public); and (c) any lease, license, use rights, or agreement rights for amenities or facilities held by the Association from time-to-time. Lot 9 in Block 2 of the Initial Plat is hereby designated as Common Area. Notwithstanding the foregoing, the Common Area expressly excludes the Master Common Area, even if the same is designated as “Common Area” or “common area” on the Initial Plat.

“**Community**” has the meaning set forth in the opening recitals of this Declaration.

“**Community Documents**” means this Declaration, each Plat, each Supplemental Declaration, the Articles, the Bylaws, the Community Rules, the Design Requirements, and any other procedures, rules, regulations, or policies adopted under such documents by the Association or the Committee. In the event of any conflict between this Declaration and any other of the Community Documents, this Declaration controls.

“**Community Rules**” has the meaning set forth in Section 2.6.2.

“**Declaration**” means this Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for the East Ridge Estates Community, as may be amended from time to time, and as may be supplemented from time to time pursuant to a Supplemental Declaration.

“**Design Requirements**” has the meaning set forth in Section 4.2.

“**Expenses**” has the meaning set forth in Section 5.2.

“**Grantor**” has the meaning set forth in the opening recitals of this Declaration.

“**Home Occupation**” has the meaning set forth in Section 3.1.

“**Household Pets**” has the meaning set forth in Section 3.8.

“**Improvement**” means any structure, facility, system, or object, whether permanent or temporary, which is installed, constructed, placed upon, or allowed on, under, or over any portion of the Community, including residential structures, accessory buildings, club houses, pump or lift stations, fences, streets, drives, driveways, parking areas, sidewalks, bridges, bicycle paths, curbs, landscaping, walls, hedges, plantings, trees, wildlife habitat improvements, vegetation, rocks, signs, lights, mailboxes, electrical lines, pipes, pumps, ditches, recreational facilities, grading, road construction, and utility improvements.

“**Initial Development Period**” has the meaning set forth in Section 10.1.

“**Initial Plat**” has the meaning set forth in the opening recitals of this Declaration.

“**Irrigation System**” means the system for delivering seasonal irrigation water to the Community that exists separate and apart from the potable water system, as more fully described in Section 3.13 hereof. The Irrigation System consists of the mainline and other common elements that are downstream from the irrigation facilities located on Lot 16 in Block 2 of the Master Common Area; provided, however, the Irrigation System does not include any pipes, sprinklers, controls, or other equipment within and servicing each individual Lot.

“**Limited Assessment**” means a charge against a particular Owner and such Owner’s Lot for an expense directly attributable to such Owner, equal to the cost incurred or estimated to be incurred by the Association in connection with corrective action performed pursuant to the provisions of this Declaration, including correcting damage or performing maintenance, repair, replacement, and operation activities on any Common Area or Maintenance Property or the failure of an Owner to keep the Owner’s Lot in proper repair, and including interest thereon as provided in this Declaration or for any goods or services provided by the Association benefiting less than all Owners.

“**Lot**” means any lot depicted on the Plat. For voting, membership, and Assessment purposes herein, the term Lot does not include any real property owned by the Association as Common Area. Lots do not include any portion of the Master Common Area.

“**Maintenance Property**” means any real or personal property located upon or within the Community not owned by the Association, but which the Association operates and/or maintains for the benefits which will accrue to the Community and its Owners. Maintenance Property is not Common Area and no Owner has the right to use any Maintenance Property except for the Owner of the Lot on which any Maintenance Property may be located. Grantor may designate Maintenance Property in this Declaration,

in any Plat or Supplemental Declaration, or by granting or reserving it in a deed or other instrument. Grantor hereby designates the following as Maintenance Property: (a) the Rim Lot Slope Area; and (b) those portions of Lots 2, 5, and 6 of Block 1 of the Initial Plat identified as “Lot 2, 5 and 6 Maintenance Property” on Exhibit A attached hereto and incorporated herein.

“**Master Common Area**” means Lot 1 in Block 1; Lots 1, 16, and 17 in Block 2; and Lot 1 in Block 4 of Impressive East Ridge Subdivision No. 1, according to the official plat thereof recorded in the real property records of Ada County, Idaho in Book 116 of Plats at Pages 17499 – 17501, Instrument No. 2019-45773, and all Improvements thereon, together with any other real or personal property designated by Grantor as “Master Common Area” in any plat, deed, or other instrument pursuant to the terms of that certain Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for the East Ridge Master Common Area, recorded in the Ada County Recorder’s Office substantially concurrently with the recordation hereof, as may be amended from time to time (the “**Master Declaration**”).

“**Master Common Area Association**” means the East Ridge Master Common Area Association, Inc., an Idaho nonprofit corporation, which is the owner and operator of the Master Common Area.

“**Mortgage**” means any mortgage, deed of trust, or other document pledging any portion of the Community or interest therein as security for the payment of a debt or obligation.

“**Non-Rim Lots**” means Lots 2 through 15 and Lots 18 through 20 in Block 2 of the Initial Plat.

“**Non-Rim Lot Slope Area**” means that portion of the Non-Rim Lots from the bottom of the slope on such Lots up the slope to the property line of such Lots, as such areas are depicted on the Initial Plat.

“**Occupant**” means any resident or permanent or temporary occupant of a Lot other than the Owner, including, without limitation, family members, guests, licensees, invitees, and tenants.

“**Owner**” means the record owner, whether one or more Persons, holding fee simple interest of record to a Lot, and buyers under executory contracts of sale, but excluding those Persons having such interest merely as security for the performance of an obligation, unless and until such Person has acquired fee simple title pursuant to foreclosure or other proceedings.

“**Person**” means any individual, partnership, corporation, trust, estate, or other legal entity, including Declarant.

“**Plat**” means any subdivision plat covering any portion of the Community (whether now or, pursuant to Article 12, hereinafter existing), as recorded in the Ada County Recorder’s Office, including without limitation the Initial Plat, and all amendments to any Plat.

“**Regular Assessment**” means the portion of the cost of maintaining, improving, repairing, managing, and operating the Common Area and Maintenance Property, including all Improvements located thereon, and the other costs and expenses incurred to conduct the business and affairs of the Association, and Regular Assessments are levied against the Lot of each Owner by the Association pursuant to the terms of this Declaration.

“**Released Party**” has the meaning set forth in Section 2.8.

“**Rim Lots**” means of Lots 6 through 23 in Block 1 of the Initial Plat.

“**Rim Lot Slope Area**” means that portion of Rim Lots from the top of the slope on such Lots down the slope to the property line of such Lots, as such areas are depicted on the Initial Plat.

“**Special Assessment**” means that portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized to be paid to the Association pursuant to the provisions of this Declaration.

“**Transfer Assessment**” has the meaning set forth in Section 5.5.

ARTICLE 2 THE EAST RIDGE ESTATES COMMUNITY ASSOCIATION

2.1 Organization of the Association. Grantor has organized the Association to manage the business and affairs of the Community in accordance with applicable law and the Community Documents.

2.2 Membership. Each Owner, by virtue of being an Owner and for so long as such ownership is maintained, is a member of the Association, and no Owner will have more than one membership per Lot in the Association. Memberships in the Association are appurtenant to, and will not be separated from, ownership of a Lot. Membership in the Association cannot be transferred, pledged, assigned, or alienated in any way except upon the transfer of the Lot that such membership is appurtenant to. Any attempt to make a prohibited membership transfer is void and will not be reflected on the books of the Association.

2.3 Membership Meetings; Voting. The Association will hold an annual meeting of the members and periodic special meetings of the members as set forth in the Bylaws. Each Owner is entitled to one (1) vote as a member in the Association for each Lot owned by that Owner (subject to each Owner’s irrevocable appointment of Grantor’s as such Owner’s proxy during the Initial Development Period as more fully set forth in Section 10.2).

2.4 Board of Directors. The business and affairs of the Association will be managed by the Board. The Board will consist of not less than three (3) directors and no more than five (5) directors. Directors need not be Owners. During the Initial Development Period, Grantor has the exclusive right to appoint, remove, and replace directors at any time and from time-to-time in Grantor’s sole discretion, and to otherwise fill vacancies on the Board as they arise. After the Initial Development Period, the Owners have the right to elect, remove, and replace directors as provided in the Bylaws. Any vacancy on the Board occurring after the Initial Development Period shall be filled by a plurality vote of the remaining directors through a special election at any meeting of the Board.

2.5 Delegation of Authority. The Board may at any time (and from time-to-time) delegate all or any portion of its powers and duties to committees, officers, employees, or to any Person to act as manager. The Association may employ or contract for the services of a professional manager or management company to manage the day-to-day affairs of the Association. No such employment or contract will have a term of more than two (2) years. If such manager is Grantor or Grantor’s affiliate, such contract is subject to cancellation by the Association with or without cause and without payment of a termination fee (but including all fees incurred through the date of termination) so long as the Association provides at least thirty (30) days’ prior notice of termination.

2.6 Powers and Duties of the Association. The Association has all the powers of a nonprofit corporation organized under Idaho law and all of the powers and duties set forth in the Community Documents, including the power to perform any and all acts which may be necessary to, proper for, or incidental to the foregoing powers. The powers of the Association include, by way of illustration and not limitation:

2.6.1 Assessments. The power and authority (and duty) to levy Assessments against each Lot (except Common Area) and Owner thereof pursuant to the restrictions enunciated in this Declaration, and to enforce payment of such Assessments, all in accordance with the provisions of this Declaration. This power shall include the right of the Association to levy Assessments against the Lots and the Owners thereof to cover the operation and maintenance costs of Common Area and Maintenance Property.

2.6.2 Community Rules. The power and authority to adopt, amend, and repeal such rules and regulations as the Board deems reasonable and appropriate to govern the Common Area and the Association (the “**Community Rules**”), including without limitation rules and regulations regarding: (a) the use of the Common Area (including without limitation the Irrigation System); and (b) procedures in the conduct of business and affairs of the Association; provided, however, that any Community Rules shall apply equally to the Owners. In the event such Community Rules are inconsistent with or less restrictive than any other provisions of this Declaration, the Articles, and/or Bylaws, the provisions of the Community Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles, or Bylaws to the extent of any such inconsistency or lesser restriction. A copy of the Community Rules as they may from time to time be adopted, amended, or repealed shall be mailed, e-mailed, faxed, or otherwise delivered to each Owner. Upon such mailing or delivery to the Owners, the Community Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration.

2.6.3 Common Area. The power and authority to acquire and dispose of, and the duty to manage, operate, maintain, repair, and replace the Common Area for the benefit of the Community; provided, however, except as permitted under Section 2.6.9 hereof, no interest in the Common Area will be disposed of without the approval by the vote or written consent of Owners representing more than sixty-five percent (65%) of the total voting power in the Association.

2.6.4 Maintenance Property. The power and authority (and duty) to operate, maintain, and otherwise manage or provide for the operation, maintenance, and management of the Maintenance Property.

2.6.5 Lot Maintenance. The power and authority to enter upon any Lot (but not inside any building constructed thereon) for the purpose of exercising its rights under Section 3.3 hereof.

2.6.6 Irrigation System. The power and authority to construct, install, maintain, repair, replace, and operate the Irrigation System. The Association may operate the Irrigation System as part of a common irrigation water supply arrangement with neighboring properties, including without limitation the Master Common Area.

2.6.7 Improvements. The power and authority to construct, install, maintain, repair, replace, and operate any Improvements in any Common Area or Maintenance Property, any public right-of-way serving the Community, or any other location deemed by the Board to benefit the Community, including any fences, signs, or other Improvements at Community entrances or otherwise in the vicinity of the Community, and any berms, retaining walls, fences, and water amenities within or abutting any Common Area or Maintenance Property.

2.6.8 Entry onto Lots. The power and authority to enter upon any Lot (but not inside any building constructed thereon) in the event of any emergency involving potential danger to life or property or when necessary in connection with any maintenance or construction for which the Association is responsible. Such entry will be made with as little inconvenience to the Owner of

such Lot as practical under the circumstances, and any damage caused thereby will be repaired by and at the expense of the Association.

2.6.9 Licenses, Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation, and enjoyment of the same, or for the preservation of the health, safety, convenience, and the welfare of the Community, or for the purpose of constructing, erecting, operating, or maintaining any of the following:

2.6.9.1 Underground lines, cables, wires, conduits, or other devices for the transmission of electricity or electronic signals for lighting, heating, power, telephone, television, or other purposes, and the above-ground lighting stanchions, meters, and other facilities associated with the provision of lighting and services;

2.6.9.2 Public and other sewers, storm drains, water drains and pipes, water supply systems, sprinkling systems, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities;

2.6.9.3 Mailboxes and sidewalk abutments around such mailboxes or any service facility, berm, fencing, and landscaping abutting Common Areas, public and private streets or land conveyed for any public or quasi-public purpose including pedestrian and bicycle pathways; and

2.6.9.4 The Irrigation System.

2.6.10 Amenity Agreements. The power and authority to enter into any lease, license, use or other agreements as the Board deems proper or convenient to secure the use of off-site amenities or facilities for the benefit of the Community. Without limiting the generality of the foregoing, and only by way of example, the Association may enter into such agreements with others for the use of any recreational amenities or facilities, including clubhouses and swimming pools, by the Owners on such terms as the Association deems reasonable or prudent. In such event, any costs incurred by the Association related thereto will be Expenses, and such Expenses will be included in the Regular Assessments.

2.6.11 Reserves. The power and authority (and duty) to establish and fund such operating and capital reserves as the Board deems necessary or prudent.

2.6.12 Taxes. The power and authority (and duty) to pay all real and personal property taxes and assessments (if any) levied against the Common Area, the Association, or any other property owned by the Association. In addition, the Association will pay all taxes, including income, revenue, corporate or other taxes (if any) levied against the Association.

2.6.13 Enforcement. The power and authority at any time and from time-to-time, on its own behalf or on behalf of any consenting Owners, to take any action, including any legal action, to prevent, restrain, enjoin, enforce, or remedy any breach or threatened breach of the Community Documents. The power of enforcement includes:

2.6.13.1 The right to remove, alter, reconstruct or restore any Improvements constructed, reconstructed, refinished, added, altered or maintained in violation of the Community Documents. If such Improvements are located on a Lot, the Association will first provide the Owner thereof with a notice specifying the default and a reasonable period

to cure (no less than ten (10) days and no more than thirty (30) days), and if the Owner does not cure the default to the reasonable satisfaction of the Association within such cure period, the Owner of the Improvements will immediately reimburse the Association for all expenses incurred by the Association in connection with its removal, alteration, reconstruction, or restoration of such Improvements.

2.6.13.2 The right to enforce the obligations of the Owners to pay each and every Assessment or charge provided for in the Community Documents.

2.6.13.3 The right to perform any duty or obligation of an Owner under the Community Documents if such duty or obligation is not timely performed by such Owner. In such event, the defaulting Owner will immediately reimburse the Association for all costs reasonably incurred by the Association in performing such duty or obligation. Except in the event of an emergency, the Association will provide the defaulting Owner with a notice specifying the default and a reasonable period to cure (no less than ten (10) days and no more than thirty (30) days) prior to exercising its power and authority hereunder.

2.6.13.4 The right to authorize variances from the requirements of this Declaration when required by applicable law (such as the Fair Housing Act) or when needed to prevent the requirements would impose an undue hardship on an Owner that would be inequitable for such Owner to bear. The granting of a variance will not waive any element of the Declaration for any purpose except as to the particular Lot and the particular provision covered by the variance. Approval of a variance will not affect the Owner's obligation to comply with the other elements of this Declaration or applicable law.

2.6.13.5 The power to impose reasonable monetary fines against each Member Association or other Person determined by the Board to be in violation of the Community Documents (individually, a "**Violation**"). Provided, however, the Association shall not impose a fine on an Owner for a Violation unless: (a) the Board votes to impose the fine at any regular or special meeting of the Board or the Association (individually, a "**Levy Meeting**"); (b) such Owner is provided at least thirty (30) days advance written notice of the Levy Meeting by personal service or certified mail at the last known address of such Owner as shown in the records of the Association; and (c) such Owner is given a reasonable opportunity to respond to the Violation during the Levy Meeting. Provided further, the Association shall not impose a fine on an Owner if such Owner, prior to the Levy Meeting, begins resolving the Violation and continues to address the Violation in good faith until the Violation is fully resolved (the "**Remedial Period**"). For purposes of this Section, the phrase "address the violation in good faith until the Violation is fully resolved" means the Owner must resolve the Violation within ten (10) calendar days of the Notice; provided, however, if the nature of the Violation is such that more than ten (10) calendar days are required for its resolution, then the Owner must diligently prosecute the same to completion within thirty (30) calendar days. All such fines shall be deemed a Limited Assessment. In all events, no portion of such fines may be used to increase the compensation to the Board or agent thereof.

If the Association employs attorneys to collect any Assessment or charge, whether by suit or otherwise, or to otherwise enforce compliance with the Community Documents, the Association is entitled to recover its reasonable attorneys' fees in addition to any other relief or remedy obtained.

2.6.14 *Insurance*. The power and authority to obtain such bonds and insurance as may be required by applicable law and such further insurance as the Board deems necessary or prudent, including casualty insurance for any property or Improvements owned or maintained by the Association, public liability insurance related to the Association's operations and the use of the Common Area, directors and officers liability coverage, automobile insurance, worker's compensation insurance and fidelity bonds. Unless otherwise authorized by Grantor, the Association will procure at least the following insurance policies to the extent such policies are available on commercially reasonable terms:

2.6.14.1 Casualty insurance on all insurable personal property and Improvements owned by the Association or for which the Association bears risk of loss, which insurance will be for the full replacement cost thereof without optional deductibles;

2.6.14.2 Worker's compensation insurance and employer's liability coverage as required by law;

2.6.14.3 Broad form comprehensive public liability insurance insuring the Association, the Board, the Committee and their respective agents and employees against any liability incident to the ownership and/or use of the Common Area or Maintenance Property; which insurance will be for not less than One Million Dollars (\$1,000,000) per occurrence with respect to personal injury/sickness/death and One Million Dollars (\$1,000,000) per occurrence with respect to property damage; and

2.6.14.4 Full coverage directors' and officers' liability insurance with a limit of at least Two Hundred Fifty Thousand Dollars (\$250,000).

2.6.15 *Entitlement Obligations*. The power and authority (and duty) to fulfill any duties imposed by any governmental or other quasi-governmental agencies as part of the entitlements for the development of Community, including any requirements or obligations identified in such entitlements as the responsibility of community association or homeowners' association, such as plat notes, development agreements or conditions of approval.

2.6.16 *Financing*. The power and authority to enter into any agreements necessary or convenient to allow Owners to take full advantage of, or secure the full availability of, any financing programs offered or supported by the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA), the Federal Housing Administration (FHA), the Veterans Administration (VA), the Federal Home Loan Mortgage Corporation (FHLMC) or any similar entity.

2.6.17 *Estoppel Certificates*. The power and authority to execute a written statement stating (a) whether or not, to the knowledge of the Association, a particular Owner or Owner's Lot is in default of this Declaration; (b) the dates to which any Assessments have been paid by a particular Owner; and (c) such other matters as the Board deems reasonable. Any such certificate may be relied upon by a bona-fide prospective purchaser or mortgagee of such Owner's Lot, but only to the extent such prospective purchaser or mortgagee has no knowledge to the contrary. The Association may charge a reasonable fee for such statements.

2.6.18 *Improvements in the Public Right-of-Way*. The power and authority to enter into license and easement agreements with ACHD (or assume the duties and obligations under any such license and easement agreements entered into by Grantor) to install, maintain, improve, irrigate,

trim, repair, and replace improvements and landscaping in the public rights-of-way (including sidewalk easements and planter strips).

2.6.19 *Open Space Corridors.* The power and authority to enter into agreements with any governmental entity, utility provider, irrigation company, conservation organization, or any other public or private entity (or assume any such agreement entered into by Grantor) to improve, operate, maintain, repair, or replace any corridor, open space, recreation facility, greenbelt or trail spaces, either for the benefit of the Community or the general public, along with the power and authority to collect and pay the charges, fees, and assessments to any such public or private entity, which charges, fees, and assessments may be recouped from the Owners via Regular Assessments or Special Assessments.

2.6.20 *Other.* Such other and further powers as the Board deems reasonable and appropriate, it being the intent of Grantor that the Association have broad power and authority consistent with the Community Documents and applicable law.

2.7 Association Records; Owner Inspection. The Association will keep such records of its business and affairs as is customary for community or homeowner associations, including a membership register, accounting records, financial statements, operating budgets, balance sheets and minutes of meetings of the Board, the members and committees. Such records will be available at the Association's regular offices for inspection and copying by any Owner at such Owner's expense. The Board may establish reasonable rules with respect to (a) notice to be given to the custodians of the records by Persons desiring to make the inspection, (b) hours and days of the week when such an inspection may be made, and (c) payment of the cost of reproducing copies of documents requested pursuant to this Section 2.7. The Association's obligations hereunder may be fulfilled by making the records available to an Owner electronically, including delivery by electronic mail or the posting of such records on a website.

2.8 Immunity; Indemnification. Each Owner understands and agrees that Grantor, the Association, the Association's manager (if any), the Committee and the directors, officers, agents, employees and committee members of any of them (each individually a "**Released Party**") are immune from personal liability to such Owner or any other Person, and such Owner hereby knowingly and voluntarily waives and releases each Released Party, for such Released Party's actions or failures to act with respect to the Community Documents to the extent that such actions or failures to act do not constitute gross negligence or willful misconduct on the part of such Released Party. The Association will indemnify, defend and hold each Released Party harmless from any action, expense, loss or damage caused by or resulting from such Released Party's actions or failure to act with respect to the Community Documents; provided, however, the Association is not obligated to indemnify, defend and hold harmless any Released Party for their own gross negligence or willful misconduct.

2.9 Waiver of Consequential Damages. Neither the Grantor nor the Association is liable to any Owner, and each Owner releases the Grantor and the Association from any form of indirect, special, punitive, exemplary, incidental, or consequential or similar costs, expenses, damages, or losses arising from or related to the Community.

2.10 Master Common Area Association. Pursuant to the bylaws of the Master Common Area Association, the Association is a member of the Master Common Area Association and is entitled to appoint or elect two (2) representatives to the board of directors of the Master Common Area Association (the "**Master Common Area Association Board Members**"). During the Initial Development Period, Grantor shall have the exclusive right to appoint, remove, and replace the Master Common Area Association Board Members, and to fill any vacancies related thereto, at any time and from time-to-time in Grantor's sole

discretion. After the Initial Development Period, the Board shall have the right to elect, remove, and replace the Master Common Area Association Board Members by majority vote of the Board. After the Initial Development Period, any vacancy in the Association's representative on the Master Common Area Association board shall be filled by majority vote of this Board through a special election at any meeting of the Board. If the Board has not filled the vacancy on the Master Common Area Association board within forty-five (45) days after the commencement of the vacancy, then the vacancy may be filled by the majority vote of the remaining directors of the Master Common Area Association board.

ARTICLE 3 GENERAL AND SPECIFIC OBLIGATIONS AND RESTRICTIONS

3.1 Residential Use. All Lots (except Common Area Lots) will be used exclusively for residential purposes and other uses incidental thereto as permitted under any applicable law. Except for Home Occupations permitted pursuant to this Section, no Lot will be used at any time for commercial or business activity. A **"Home Occupation"** is any lawful, gainful occupation conducted on a Lot by an Occupant of the Lot. A Lot may be used for a Home Occupation provided that the home office or studio related thereto is: (a) not more than five hundred (500) square feet in size; and (b) located entirely within a dwelling or accessory structure. The Home Occupation must be conducted in accordance with the other terms and limitations of the Community Documents and applicable law. A Lot may be used for other Home Occupations only upon the specific approval of the Association, which approval may be subject to such requirements and conditions as the Association deems appropriate, and which Home Occupation must be conducted in accordance with the other terms and limitations of the Community Documents and applicable law. No Home Occupation may (i) involve highly combustible materials; (ii) involve retail operations; (iii) use equipment or tools where the dimensions, weight or power rating are beyond normal household equipment or tools; (iv) cause abnormal automotive or pedestrian traffic in the Community; (v) be, in the reasonable opinion of the Board, objectionable due to unsightliness, odor, dust, smoke, noise, glare, heat, vibration or similar disturbances; (vi) involve dispatch activities where employees meet in the Community and are sent to other locations; (vii) involve other uses that, in the reasonable opinion of the Association, would detract from the residential character of the Community. It is not a violation of this Section for an Owner to lease its Lot and the Improvements thereon in accordance with Section 3.2.

3.2 Leasing. In order to foster and maintain the stable, residential character of the Community and to preserve the Community values, no Owner may lease, in whole or part, such Owner's Lot or the primary residential dwelling located thereon to any Person except as expressly permitted in this Section 3.2. For purposes of this Section 3.2, the term "lease" as applied to a Lot will be deemed to include, without limitation, any rental, letting, subletting, demising or assignment of any interest, estate or right of use, enjoyment, occupancy or possession of any Lot (or portion thereof) to any Person who is not a member of such Owner's family. For purposes of this Section 3.2, a "member of such Owner's family" will be defined as any Person who is related to the Owner by blood, legal marriage or legal adoption. Each Owner may lease its entire Lot to any tenant comprised as a single housekeeping unit so long as such lease is for a term of six (6) months or greater. For purposes of this Section, the term "single housekeeping unit" will be one (1) or more individuals living together sharing household responsibilities and activities which may include, sharing expenses, chores, eating evening meals together and participating in recreational activities and having close social, economic and psychological commitments to each other. An Owner who leases a Lot is fully responsible for the conduct and activities of such Owner's tenant as if such Owner were the tenant. Any Owner who leases a Lot will comply with the Fair Housing Act to the extent it applies to such Owner.

3.3 Exterior Maintenance Obligations. Each Owner will keep all Improvements on such Owner's Lot in good, safe operating condition and repair. Without limiting the generality of the foregoing, each Lot shall be kept in a neat, orderly, weed-free condition prior to the Owner constructing any

Improvements thereon. In the event that any Owner permits any Improvement on such Owner's Lot to: (a) fall into disrepair such that it, in the judgment of the Association, creates an unsafe, unsightly, unattractive, or inoperable condition; or (b) be constructed, reconstructed, refinished, removed, added, altered, or maintained in violation of this Declaration, the Association may exercise its power and authority hereunder to enter upon such Owner's Lot and take such action as the Association deems necessary or appropriate to correct such condition or violation. In such event, the defaulting Owner will immediately reimburse the Association for all costs reasonably incurred by the Association in correcting such condition or violation. Except in the event of an emergency, the Association will provide the defaulting Owner with a notice specifying the default and a reasonable period to cure (no less than ten (10) days and no more than thirty (30) days) prior to exercising its power and authority hereunder. Without limiting the generality of the foregoing, this Section 3.3 will apply to an Owner who negligently, recklessly, or intentionally damages all or any portion of any pipes, lines, sprinklers, controls, or other equipment located, or any portion of the landscaping on such Owner's Lot, regardless of whether such pipes, lines, sprinklers, controls, or other equipment are maintained by the Association, and regardless of whether the Association is responsible for maintaining the Owner's landscaping. Each Owner hereby designates the Association as the Owner's agent for purposes of Idaho's mechanic's lien statute (i.e., Idaho Code § 45-501), and each laborer, material supplier or other Person who performs work on such Owner's Lot at the direction of the Association will have a mechanic's lien against the Owner's Lot for such work.

The Owners of Lots 2, 3, 4, and 5 of Block 1 of the Initial Plat acknowledge and agree that a portion of Master Common Area has been designated as "Master Limited Common Area" as more fully set forth in the Master Declaration (such portions being the "**L1B1 LCA**"), and further acknowledge and agree that the Owner of the Lot to which a portion of the L1B1 LCA is appurtenant according to the Master Declaration shall maintain such portion of the L1B1 LCA, including the landscaping and all other Improvements thereon, as if such portion of the L1B1 LCA were part of such Owner's Lot and thus subject to the terms and conditions of this Declaration, including without limitation this Section 3.3.

3.4 Nuisances. No rubbish or debris of any kind will be placed or permitted to accumulate anywhere upon the Community, including the Common Area or vacant Lots, so as to render the Community or any portion thereof unsanitary, unsightly, offensive, or detrimental to the Community, or to any other property in the vicinity of the Community. No odor shall be permitted to arise from the Community so as to render the Community or any portion thereof unsanitary, offensive, or detrimental to the Community, or to any other property in the vicinity of the Community. No business or Home Occupation, no noise, no exterior fires, no obstructions of pedestrian walkways, no unsightliness, or other nuisance will be permitted to exist or operate upon any portion of the Community so as to be offensive or detrimental to the Community or its Occupants or to other property in the vicinity or to its occupants or residents, as determined by the Board, in its reasonable judgment, or in violation of any federal, state, or local law, rule, regulation, or ordinance. Without limiting the generality of any of the foregoing, no whistles, bells, or other sound devices (other than security devices used exclusively for security purposes which have been approved by the Committee), flashing lights, or search lights will be located, used, or placed on the Community without the Committee's approval. No unsightly articles will be permitted to remain on any Lot so as to be visible from any other portion of the Community. Without limiting the generality of the foregoing, refuse, garbage, trash, equipment, gas canisters, propane gas tanks, barbecue equipment, heat pumps, compressors, containers, lumber, firewood, grass, shrub or tree clippings, plant waste, metals, bulk material, and scrap will be kept at all times in such containers and in areas approved by the Committee. No clothing or fabric will be hung, dried, or aired in such a way as to be visible to any other portion of the Community. Only permanent basketball hoops, concreted in the ground with a metal pole, are permitted within the Community, and no such basketball hoops may be installed without the prior written approval of the Committee. Only in-ground trampolines with the tops thereof flush with the finish dirt grade of the Lot are allowed within the Community, and no such trampolines may be installed without the prior written approval of the Committee.

Above-ground trampolines are expressly prohibited. No major appliances (such as clothes washers, dryers, refrigerators, or freezers) may be kept, stored, or operated on any balcony, patio, porch, or other exterior area of any Lot. Window air-conditioning units are not allowed. Windows will be covered only by drapes, shades, or shutters that are white or muted earth tone in color, and will not be painted or covered by foil, cardboard, sheets, or similar materials. Garage sales within the Community are prohibited except to the extent arranged by the Association.

3.5 No Hazardous Activities. No activities will be conducted on the Community, and no Improvements will be constructed in the Community which are or might be unsafe or hazardous to any Occupant.

3.6 Insurance Rates. Nothing will be done or kept on any Lot which will increase the rate of or cancel any insurance on any other portion of the Community without the approval of the Owner of such other portion, nor will anything be done or kept on the Community or a Lot which would result in the cancellation of insurance on any portion of the Community owned or managed by the Association or which would be in violation of any law.

3.7 Vehicles and Equipment. All on-street parking will be limited to those specific areas where on-street parking is not expressly prohibited by the governmental or quasi-governmental agencies with responsibility therefor, and nothing will be parked in such areas in excess of forty-eight (48) hours in any given seven (7) day period. Vehicles will not extend or otherwise be permitted on or into any sidewalk, bicycle path or pedestrian path unless such vehicle is engaged in an emergency procedure, or as provided elsewhere in the Community Documents. No motor homes, motor coaches, campers, trailers, snowmobiles, aircraft, boats, recreational vehicles, all-terrain vehicles, abandoned or inoperable vehicles (defined as any vehicle which has not been driven under its own propulsion for a period of forty-eight (48) hours or longer), oversized vehicles (defined as vehicles which are too high or too wide to clear the entrance of a standard residential garage door opening), dilapidated, or unrepaired and unsightly vehicles, or similar equipment such as snow removal equipment, garden maintenance equipment, and/or any other unsightly equipment and machinery will be placed upon any portion of the Community, including but not limited to streets, parking areas and driveways, unless the same are located entirely within a garage and concealed from the view of anybody standing outside the garage, except when the garage is open to facilitate ingress and egress. To the extent possible, garage doors will remain closed at all times. Electric, gas or other fuel operated gardening, yard, or snow removal equipment will only be operated from 7:00 a.m. to 9:00 p.m., subject to applicable law.

3.8 Animals/Pets. No animals, livestock, or poultry of any kind will be raised, bred, or kept on any Lot except that Household Pets (defined below) may be kept for an Owner's personal use provided that (a) such Household Pets are not bred or maintained for any commercial purpose; (b) no more than two (2) of any combination of domesticated dogs or domesticated cats may be kept on a Lot; and (c) any such Household Pets will be properly restrained and controlled at any time they are within the Community. "Household Pets" means generally recognized household pets that are customarily kept as indoor pets, such as domesticated dogs, domesticated cats, fish, birds (excluding hens and chickens), rodents, and non-poisonous reptiles. Household Pets will not include livestock, poultry (including hens and chickens), swine, or waterfowl. Household Pets will not be kept in any manner which unreasonably bothers or constitutes a nuisance to other Owners. Any noisy animal (defined below), any vicious animal, any non-domestic household pet, or any animal which damages or destroys property will be deemed a nuisance. Excessive or untimely barking, molesting passersby, chasing vehicles, pursuing or attacking other animals, including wildlife, and trespassing upon private property in such a manner as to damage the property will also be deemed a nuisance. A "noisy animal" means any animal which habitually or frequently disturbs the sleep, peace or quiet of any Occupant. Owners will contact the local animal control agency regarding noisy

animals prior to complaining to the Board about such animals. Any costs associated with responding to complaints of a noisy animal or nuisance pet may be levied against an Owner as a Limited Assessment. The Owner of a Lot where a Household Pet is kept, as well as the legal owner of the Household Pet (if not such Owner), will be jointly and severally liable for any and all damage and destruction caused by the Household Pet, and for any clean-up of any Common Area, roads, or other property necessitated by such Household Pet.

3.9 Assistance Animals. Assistance animals are welcome in the Community in accordance with the Fair Housing Act (42 U.S.C. § 3601 et. seq., as amended) and the implementing regulations promulgated thereunder. An assistance animal will be as defined in the Fair Housing Act, which is currently any animal needed by a disabled individual to have an equal opportunity to use and enjoy a dwelling. Examples of assistance animals are guide animals, animals that alert people who are deaf, animals that pull a wheelchair, animals that alert and protect a guest who is having a seizure, animals that remind an individual with mental illness to take prescribed medications, animals that calm an individual with Post Traumatic Stress Disorder (PTSD) during an anxiety attack, and animals that provide comfort or emotional support. Assistance animals in training are to be treated as assistance animals, even if the handler is not disabled. An assistance animal need not be licensed or certified by any government. Individuals with assistance animals will not be treated less favorably than other residents or charged fees that are not charged to other residents without animals. The Association has the right, to the extent permitted under the Fair Housing Act, to prohibit or restrict any assistance animal that (a) is out of control and the handler does not take effective action to control it; or (b) the animal's behavior poses a threat to the health or safety of others. Any individual who brings an assistance animal on the Community is financially and legally responsible for any injury or damage caused by such assistance animal, and for any clean-up of Common Areas, roads, or other property necessitated by such assistance animal.

3.10 Construction and Temporary Structures. During the course of construction, no trailer houses or similar mobile units designed for overnight accommodations will be parked on any street. No trailer, tent, shack, garage, barn, or other unattached structure erected on a Lot will, at any time, be used as a residence, temporarily or permanently, nor will any residence of a temporary character be permitted. No building of any kind will be erected or maintained on a Lot prior to the construction of the Improvements thereon. The construction of Improvements will be prosecuted diligently and continuously from the time of commencement thereof until such Improvements are fully completed and painted. The construction site will be cleaned of trash and debris nightly and maintained in a non-nuisance condition.

3.11 Drainage. No Owner will interfere with the established drainage pattern over any portion of the Community, unless adequate alternative provisions for proper drainage have first been approved by the Committee and properly installed. For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Community is completed by Grantor, or that drainage which is shown on any plans approved by the Committee, which may include drainage from Common Area over any Lot in the Community. Except to the extent approved pursuant to the first sentence of this Section, no Lot will drain onto, over, across, or under the Common Area or an adjacent Lot. Each Owner hereby acknowledges and agrees that Lots within the Community are constructed of engineered compacted fill, which is not atypical of lots in Ada County, Idaho, and which may result in water being unable to percolate. Grantor and the Association highly recommend that residential structures within the Community include a foundation drainage system installed by an Idaho licensed contractor, so as to assist in preventing rain and irrigation water from accumulating in crawl spaces.

Located at the rear of the Building Envelopes for Lots 15 through 23 in Block 1 of the Initial Plat is an existing thirty (30) inch berm (as measured from the base of the rim fence) that will be retained and

enhanced to minimize water run off on the North slope. The Owner of each such Lot and its Occupants and agents will not destroy or render unusable the thirty (30) inch berm for the retainage of storm or landscape water.

Each such Owner shall utilize, and shall cause its agents to utilize, industry standards for design of its storm and landscape water facility and shall not pass this water onto any adjacent Lot.

3.12 Grading. Except as provided in Section 3.11, no Lot will drain onto, over, across, or under the Common Area or an adjacent Lot. The Owner of any Lot within the Community in which grading or other work has been performed pursuant to a grading plan approved by any public agency, or by the Committee, will maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, and means or devices which are not the responsibility of any public agency, and plantings and ground cover installed or completed thereon. *See also* grading requirements in the last two paragraphs of Section 3.11.

3.13 Irrigation System. The Association will maintain, repair, replace, and operate the Irrigation System for the Community, which system may be operated as part of a common irrigation water supply arrangement with neighboring properties, regardless of whether such neighboring properties are now or hereinafter annexed into the Community. Each Owner is hereby required to connect its Lot(s) to the Irrigation System upon the earlier to occur of the issuance of a certificate of occupancy or nine (9) months after the issuance of a building permit to ensure that all required landscaping is maintained in a high quality manner and first class condition and in accordance with the Community Documents. Each Owner acknowledges that Irrigation System water may be inadequate, particularly during low water years and seasons, and that each Owner is not guaranteed any specific amount of water for use on such Owner's Lot.

3.14 Water Supply Systems. No separate or individual water supply system, regardless of the proposed use of the water to be delivered by such system, will be permitted on any Lot unless such system is approved by all government authorities having jurisdiction and designed, located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Committee.

3.15 Sewage Disposal Systems. No individual sewage disposal system will be used on the Community. Each Owner will connect the appropriate facilities on such Owner's Lot to the public sewer system and pay all charges assessed thereon.

3.16 Energy Devices, Outside. No energy production devices or generators of any kind (such as solar energy devices or windmills) will be constructed or maintained on any portion of the Community without the Committee's approval, except for mechanical equipment shown in the plans approved by the Committee. This Section will not apply to passive solar energy systems incorporated into the approved design of a residential structure.

3.17 Signs. No more than one (1) sign will be allowed on any Lot at the same time to advertise the Lot for sale or to advertise the Lot during the course of construction, and all such signs shall be removed within fifteen (15) days of occupancy. Directional and open house signs may be used during open house time period only. No sign of any kind will be displayed to the public view more than six (6) square feet in size and not more than three (3) feet above grade. The Association may erect and maintain identification signs, street signs and other appropriate informational signs upon the Common Area or upon utility easements of a size and design approved by the Committee. No other signs will be placed or maintained upon the Common Area. Signs advertising a Lot for rent or lease are not allowed anywhere within the Community. Political signs are permitted for up to thirty (30) days prior to a primary or general election, and will be removed within two (2) days after any such election.

3.18 Flags. No flags, banners, windsocks, or similar items are permitted within the Community except for a standard American flag that is no larger than three (3) feet in length.

3.19 Antenna; Satellite Dishes. All exterior radio antenna, television antenna, satellite dishes or other such devices of any type will be installed on the rear of the residential structure on the Lot, or within four (4) feet of the rear of the structure on any such structure's side walls. All such devices will be screened by a fence, landscaping, or similar structures in accordance with the Design Requirements, or as otherwise required to ensure the safety of the residents of the Community, except that screening will not be required where it would unreasonably delay installation or unreasonably increase the cost of installation, maintenance or use thereof, or preclude the reception of an acceptable quality signal. No such device may be installed until after an Owner has received Committee approval for construction of residential Improvements on the Owner's Lot.

3.20 No Further Subdivision. No Lot may be further subdivided unless the subdivision is approved by the Board, and then only in accordance with applicable law.

3.21 Holiday Lights. Winter holiday decorations and lighting displays are permitted starting on November 15 of each year and must be removed by January 15 of the following year. Any other holiday decorations or lighting displays (such as Halloween) are permitted up to fifteen (15) days prior to the holiday and must be removed within three (3) days after the holiday.

3.22 Trash. Trash cans and other trash receptacles, including recycling cans and receptacles, will not be visible except between 5:00 AM and 8:00 PM on the day selected by the trash collector for trash and recycling pick-up.

3.23 Marijuana-Free Community. No Owner may use, occupy, or permit the use or occupancy of any Lot (or any portion thereof) that in any manner relates to the use, sale, possession, cultivation, manufacture, distribution, or marketing of any substance containing any amount of marijuana, cannabis, or tetrahydrocannabinol, whether for commercial, medical, or personal purposes, whether or not such activities are lawful under all applicable laws (collectively, "**Prohibited Activities**"). Notwithstanding the foregoing, nothing in this section will prohibit any Person from possessing and using any drug approved by the U.S. Food and Drug Administration that has been lawfully prescribed and lawfully obtained by such Person, provided that such Person only possesses and uses the drug in compliance with applicable law.

Any lease (as defined in Section 3.2) of a Lot entered into by an Owner must contain a clause expressly prohibiting the tenant thereunder from engaging or permitting others to engage in any Prohibited Activities, and further permitting the Owner to terminate the lease and evict the tenant in the event the tenant violates such clause or otherwise violates this Section 3.22. If the Owner becomes aware that its tenant is or has been engaged, or is permitting or has permitted others to engage, in any Prohibited Activities on the Owner's Lot, then the Owner shall take all reasonable actions to terminate the lease in accordance with applicable law, evict the tenant, and otherwise take all reasonable actions to terminate the Prohibited Activities on such Lot. The Owner must keep the Association fully advised of the Owners actions and plans to prohibit and terminate the Prohibited Activities as required by this Section.

In addition and not by way of limitation, each Owner agrees to indemnify, defend, and hold the Association and all other Owners harmless from and against any loss, claim (including without any governmental action for seizure or forfeiture of any real or personal property, with or without compensation, and whether or not the property is taken free of or subject to lien or security interest), damage, liability, fine, penalty, cost, or expense (including attorneys' fees and expenses) arising from, out of, or related to

any Prohibited Activities at or on the Owner's Lot and/or the indemnifying Owner's breach, violation, or failure to enforce or comply with any of the covenants set forth in this Section.

The failure by any Owner to fully and faithfully comply with this Section shall constitute a material non-curable event of default that grants the Association and any other Owner the right to exercise any right or remedy available in the Community Documents or at law.

3.24 Non-Rim Lot Slope Area. The Owners of the Non-Rim Lots shall install landscaping and sufficient irrigation facilities on the Non-Rim Lot Slope Area and be responsible for maintaining the same. No Improvements other than such irrigation facilities and landscaping and, if so desire, a retaining wall, shall be constructed in the Non-Rim Lot Slope Area. Retaining walls with a maximum height of four (4) feet are permitted in the Non-Rim Lot Slope Area.

3.25 Rim Lot Slope Area. No Owner other than Grantor (or the Association) shall construct any Improvements, including without limitation fences and landscaping, within the Rim Lot Slope Area, or install or cause to exist any trails within the Rim Lot Slope Area. The Association is responsible for maintaining the Rim Lot Slope Area, which maintenance is limited to the minimum amount necessary to preserve the native vegetation in such area.

ARTICLE 4 ARCHITECTURAL REVIEW COMMITTEE

4.1 Creation. The Board will appoint no less than three (3) and no more than five (5) individuals to serve on the Architectural Review Committee (the "**Committee**"). The Board has the exclusive right to appoint, remove, and replace Committee members at any time with or without cause. If a vacancy on the Committee occurs and the Board has not yet appointed a replacement, the remaining Committee members may appoint an acting member to serve until the Board appoints a replacement. A Committee member need not be an Owner.

4.2 Design Requirements. The Committee has the power and authority to adopt, amend, and repeal such rules and regulations as the Committee deems reasonable and appropriate to ensure that all Improvements in the Community conform and harmonize as to external design, quality, and type of construction, architectural character, materials, color, location in the Building Envelope, height, grade and finish ground elevation, natural conditions, landscaping, and other design or aesthetic considerations (the "**Design Requirements**"). The Design Requirements may include rules and regulations: (a) to protect the special qualities of the Community; (b) to encourage creative design; (c) to provide general architectural, design and construction guidelines; (d) that provide landscape guidelines (including a description of existing, natural conditions, and vegetation); (e) that provide submittal and review procedures; (f) establishing fees and charges for review; and (g) establishing penalties for noncompliance. The Design Requirements will be drafted to conform to this Declaration, and in the event of a conflict between the Design Requirements and this Declaration, this Declaration will govern. In the event that any provision of the Design Requirements are deemed ambiguous on any matter, the Committee's interpretation of such provision will be given deference so long as the interpretation is a permissible construction of such provision.

4.3 Design Review Required. No Owner will construct, reconstruct, alter, install, or remove any Improvements except with the Committee's approval. The Committee will review, study, and either approve or reject the proposed Improvements on the Community, all in compliance with the Declaration and the Design Requirements. Except as otherwise set forth herein, any action or decision made by a majority of the Committee will be the binding decision of the entire Committee. The Committee is

authorized to retain the services of one or more consulting architects, landscape architects, engineers, designers, and other consultants to advise and assist the Committee on a single project, on a number of projects, or on a continuing basis. The actions of the Committee in the exercise of its discretion by its approval or disapproval of the proposed Improvements on the Community, or with respect to any other matter before it, will be conclusive and binding on all interested parties. The Committee will not direct or control the interior layout or interior design of residential structures except to the extent incidentally necessitated by use, size, and height restrictions.

4.4 Landscaping. Without limiting the generality of Section 4.3, each Owner shall install, maintain, repair, and replace landscaping on such Owner's Lot as required by the Design Requirements. Each Owner shall submit a landscaping plan to the Committee as part of any submittal for approval of a primary residential structure. The Owner shall complete the front and side yard landscaping in conformance with the landscape plan approved by the Committee within thirty (30) days after substantial completion of the primary residential structure. The rear yard landscaping must be completed within three (3) months of substantial completion of the primary residential structure. If installation of landscaping is made impractical by inclement weather, the completion of landscaping may be deferred for a reasonable period of time in the discretion of the Committee (but shall be completed no later than the next April 30th following occupancy). All Owners shall install, maintain, repair, and replace a timer-controlled automated irrigation system, which shall be operated in accordance with any rules adopted by the Association. Except as otherwise provided in this Declaration, no fences, hedges, or retaining walls shall be installed or maintained on any Lot unless approved by the Committee.

4.5 Expenses. All expenses of the Committee will be paid by the Association. The Committee will have the right to charge reasonable fees for applications submitted to it for review, in amounts which may be established by the Committee from time-to-time, and such fees will be collected by the Committee and remitted to the Association to help defray the expenses of the Committee's operation, including reasonable payment to each member of the Committee for their services as provided herein. Each Owner, by submitting a design review application to the Committee, agrees to pay any additional reasonable fees based on costs incurred by the Committee in retaining consultants for the review and approval of the Owner's application(s).

4.6 Variances. The Committee may authorize variances from any of the Design Requirements when the Committee deems it desirable to address special circumstances, such as topography, natural obstructions, hardship, aesthetic considerations, or other circumstances. The granting of a variance will not waive any element of the Design Requirements for any purpose except as to the particular property and particular provision covered by the variance. Approval of a variance will not affect the Owner's obligation to comply with this Declaration or applicable law.

4.7 Committee Approvals. The Committee's approval of any Improvement does not mean the Improvements will be permitted by applicable law, approved by the applicable governmental authorities or others. The Committee will not be responsible in any way for any defects or errors in any plans or specifications submitted, revised or approved, nor for any structural or other defects in any work done according to such plans and specifications.

4.8 Immunity; Indemnification. The Committee's members, agents and employees will be immune from liability and entitled to indemnification as set forth in Section 2.8 hereof.

ARTICLE 5 ASSESSMENTS

5.1 Covenant to Pay Assessments. Each Owner covenants and agrees to pay when due (without deduction, setoff, or abatement of any kind whatsoever) all Assessments or charges made against such Owner or such Owner's Lot pursuant to the Community Documents. Assessments against a Lot will be a continuing lien on such Lot until paid, whether or not ownership of such Lot is transferred. Assessments against a Lot are also the personal obligation of the Owner of the Lot when the Assessment becomes due and payable. Such personal obligation will remain with such Owner regardless of whether such Owner remains the owner of the Lot. Delinquent Assessments related to a Lot will not pass to such Owner's successors in title unless expressly assumed by them. Such Assessments and charges, together with interest, costs, and reasonable attorneys' fees, which may be incurred in collecting the same, will be a charge on the land and will be a continuing lien upon the Community against which each such Assessment or charge is made.

5.2 Regular Assessments. Regular Assessments are to be used to pay for all costs and expenses incurred by the Association for the conduct of its affairs or the exercise of any of the Association's powers, duties, or obligations under the Community Documents (collectively, the "**Expenses**"). Without limiting the generality of the foregoing, the Expenses will include:

5.2.1 The cost and expenses incurred by the Association for professional management of its business and affairs;

5.2.2 The costs and expenses incurred by the Association in the exercise of any of its powers under Section 2.6;

5.2.3 The costs and expenses of construction, improvement, protection, insurance, maintenance, repair, management, and operation of the Common Area, Maintenance Property, and all Improvements located in other areas that are owned, managed, or maintained by the Association;

5.2.4 An amount to fund adequate reserves for extraordinary operating expenses, contingent risks or liabilities (such as indemnification and defense expenses), capital repairs, capital replacements and any other expenses for which the Board deems prudent to fund a reserve; and

5.2.5 An amount sufficient to pay for assessments levied against the Association by the Master Common Area Association, and upon receipt of which, the Association shall hold the same in trust for the benefit of the Master Common Area Association.

5.3 Special Assessments. If the Board determines that the Regular Assessment for a given calendar year is or will be inadequate to meet the Expenses for such calendar year for any reason, the Board may levy a Special Assessment to collect the additional funds needed to meet the Expenses for such calendar year. Special Assessments will be levied and paid upon the same basis as Regular Assessments; provided, however, the Association will, in the Board's reasonable discretion, set the schedule under which such Special Assessment will be paid, which schedule may be different than Regular Assessments.

5.4 Limited Assessments. Notwithstanding the above provisions with respect to Regular Assessments and Special Assessments, the Association may levy a Limited Assessment against an Owner (a) for any fines (levied in accordance with Section 2.6.13.5), fees, or charges levied against the Owner under the Community Documents; (b) to reimburse the Association for any costs incurred to bring the Owner's Lot or any Improvements thereon into compliance with the Community Documents; (c) to reimburse the Association for any damages caused by an Owner or its Occupants or contractors to any

Common Area, Maintenance Property, or Improvements owned or maintained by the Association; (d) to reimburse the Association for the cost of repairing or replacing any landscaping or portion of the Irrigation System damaged by the Owner or its Occupant's abuse, misuse, or vandalism; and (e) for the cost of providing any goods or services under the Community Documents that benefit such Owner or Owner's Lot, but less than all Owners or all Owners' Lots.

5.5 Transfer Assessments. Upon the transfer of fee simple title to a Lot from Grantor to an Owner, and upon each subsequent transfer of such Lot thereafter, the transferee will pay a transfer assessment to the Association in an amount determined by the Board from time to time (the "**Transfer Assessment**"). Each Transfer Assessment will be paid at the escrow closing of such Lot for the benefit of the Association, or if no such escrow closing, directly to the Association. The Transfer Assessments are to be used to pay for Expenses and are not be used for any purpose prohibited by law. Transfer Assessments are not to be considered prepayment of any other type of Assessments, are in addition to the Owner's continuing obligation to pay all other types of Assessments, and are not refundable.

5.6 Assessment Procedures. Unless otherwise determined by the Board, the Association will compute and forecast the total amount of Expenses on an annual basis (the "**Budget**"). The computation of the Budget will take place not less than thirty (30) nor more than ninety (90) days before the beginning of each fiscal year of the Association, unless a change in Owners or other circumstance makes it impracticable to compute the Budget in that time frame, in which event the Budget will be computed as soon as reasonably practicable. In all events, the computation of the Budget will be completed in good faith and is valid upon completion. Each Owner's Regular Assessment will be computed by multiplying the Budget by the fraction produced by dividing the number of Lots owned by such Owner by the total number of Lots not then exempt from Assessment. The Association may, in its discretion or as provided in the Community Documents, require payment of Regular Assessments in monthly, quarterly, semi-annual, or annual installments. The Association will provide Owners with not less than fifteen (15) days and no more than thirty (30) days of prior notice before any Board meeting for the purpose of levying a Special Assessment or increasing the Regular Assessment by more than ten percent (10%). Assessments are due and payable within thirty (30) days after the Association provides an invoice therefor to each Owner. If all or any part of an Assessment is not paid when due, then: (a) the delinquent Owner will pay to the Association a late payment charge equal to 5% of the delinquent amount; and (b) interest accrues on the delinquent amount at the rate of twelve percent (12%) per annum until paid in full. In the event an Owner's payment is returned for any reason, such Owner will pay to the Association an administrative fee in an amount set by the Board and thereafter the Association has the right to require future Assessments due from such Owner to be paid in the form of a cashier's check, certified check, or other form of immediately collectible funds acceptable to the Association in the Board's discretion. Each Owner acknowledges and agrees that the late payment charge and administrative fee are reasonable compensation to the Association for additional administrative costs and expenses caused by any late payment or returned check.

5.7 Assessment Liens.

5.7.1 Creation. There is hereby created a continuing claim of lien with power of sale on each and every Lot to secure payment of any and all Assessments levied against such Lot pursuant to the Community Documents, together with interest thereon at the rate described in Section 5.6 and all collection costs and attorneys' fees which may be paid or incurred by the Association in connection therewith. Upon default of any Owner in the payment of any Assessment related to a Lot, the Association may record a claim of lien against such Lot in accordance with applicable law (currently, Idaho Code § 45-810). Each delinquency will constitute a separate basis for a claim of lien, but any number of defaults may be included within a single claim of lien. Such claim of lien

may be foreclosed in any manner permitted by applicable law. Upon payment of such lien in full, the Association will prepare and record a release of such claim of lien.

5.7.2 *Subordination to First Mortgages.* Upon recordation of a claim of lien for delinquent Assessments in accordance with applicable law, such lien will be prior and superior to all other liens or claims created subsequent to the recordation of the claim of lien except for (a) liens which, by law, would be superior thereto and (b) the lien of a first Mortgage given and made in good faith and for value that is of record as an encumbrance against such Lot prior to the recordation of a claim of lien for the Assessments. Except as expressly provided in this Section 5.7.2, the sale or transfer of any Lot will not affect the Assessment lien provided for herein, nor the creation thereof by the recordation of a claim of lien, on account of the Assessments becoming due whether before, on, or after the date of such sale or transfer, nor will such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent Assessments as provided for in this Declaration.

5.8 Exemptions. All Common Area and any Lots owned by the Association will be exempt from Assessments. Grantor will be exempt from Assessments as set forth in Section 10.5.

ARTICLE 6 RIGHTS TO COMMON AREAS

6.1 Use of Common Area. Every Owner will have a right to use the Common Area as set forth in this Declaration subject to:

6.1.1 The Community Documents;

6.1.2 The right of the Association to suspend the right of an Owner to use the Common Area for any period during which any Assessment or charge against such Owner's Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of the Community Rules; and

6.1.3 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility or other party for such purposes and subject to such conditions as may be permitted by the Community Documents.

6.2 Delegation of Right to Use. An Owner may delegate its right to use the Common Area to the occupants of such Owner's Lot; provided, however, each Owner will be liable to the Association for any damage to any Common Area sustained by reason of the negligence or willful misconduct of such Occupants. The cost of correcting such damage will be a Limited Assessment against the Lot.

6.3 Association's Responsibility. The Association will maintain and keep the Common Area and any other Improvements owned, managed, or maintained by the Association in good condition and repair.

ARTICLE 7 EASEMENTS

7.1 Recorded Easements. The Community will be subject to all easements shown on any easements that are established or of record, including easements set forth on the Plat.

7.2 Easements of Encroachment. There will be reciprocal appurtenant easements of encroachment as between adjacent Lots and between Lots and adjacent portions of the Common Area due to the unwillful placement or settling or shifting of the Improvements constructed, reconstructed, or altered in accordance with the Community Documents. Easements of encroachment will be valid only so long as they exist, and the rights and obligations of Owners will not be altered in any way because of encroachments, settling or shifting of the Improvements; provided, however, that in no event will a valid easement for encroachment occur due to the willful or bad faith acts of an Owner. If an Improvement is partially or totally destroyed, such Improvement may be repaired or rebuilt within such minor encroachments that existed prior to the encroachment and may be reconstructed pursuant to the easement granted by this Section 7.2.

7.3 Easements of Access. There will be reciprocal appurtenant easements of ingress and egress for all Owners to and from their respective Lots for installation and repair of utility services and for necessary maintenance and repair of any Improvement, such as fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping.

7.4 Improvements in Drainage and Utility Easements. No Owner will construct or alter any Improvements in any drainage or utility easement areas which would interfere with the easement being used for its intended purpose. Such Owners may install and maintain Improvements on such easement areas as permitted by the Community Documents so long as such Improvements are permitted by the terms of the easement and such Improvements will not interfere with or prevent the easement areas from being used for their intended purposes. No lawful user of the easement will incur any liability to such Owner for the damage or destruction of such Improvements.

7.5 Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and all other similar emergency agencies to enter upon the Community in the proper performance of their duties.

7.6 Maintenance Easement. A non-exclusive easement is hereby reserved to the Grantor and the Association upon, across, over, in, and under all portions of all Lots that are not improved with an occupied structure. Grantor and the Association may use the easement reserved herein as Grantor or the Association may deem necessary, appropriate, or convenient to exercise any of their respective rights or perform their respective obligations identified in the Community Documents, to perform their respective duties and functions to which they are obligated or permitted to perform pursuant to the Community Documents, and to make emergency repairs. This easement includes, without limitation, rights to install, operate, maintain, repair, and replace irrigation sprinklers, lines, control boxes, and related equipment and facilities. Without limiting the generality of the foregoing, the Association has as an express easement over all Maintenance Property located within the Community. Nothing herein relieves each Owner's obligation to maintain Improvements on such Owner's Lot.

7.7 Grantor's Rights Incident to Construction. Grantor, for itself, and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Community and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements in the Community on those portions owned by Grantor or the Association; provided, however, that no such rights shall be exercised by Grantor in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access to an Owner's Lot by that Owner or its Occupants.

7.8 Easements Deemed Created. All conveyances of Lots made after the date of the recording of the Declaration, whether by Grantor or otherwise, will be construed to grant and reserve the easements

contained in this Article 7 and elsewhere in this Declaration, even though no specific reference to such easements appear in the conveyance instrument.

ARTICLE 8 STORM WATER DRAINAGE AND RETENTION SYSTEM

Lot 9 in Block 2 as identified in the Initial Plat is servient to and contains the ACHD Storm Water Drainage System (the “**Storm Water Drainage System**”), and is encumbered by that certain First Amended Master Perpetual Storm Water Drainage Easement recorded on November 10, 2015, as Instrument No. 2015-103256, official records of Ada County, Idaho and incorporated herein by this reference as if set forth in full (the “**Storm Water Easement**”). The Storm Water Easement and the Storm Water Drainage System are dedicated to the ACHD pursuant to Section 40-2302, Idaho Code. The Storm Water Easement is for the operation and maintenance of the Storm Water Drainage System. ACHD shall be responsible for owning, operating, and maintaining the Storm Water Drainage System.

ARTICLE 9 RESOLUTION OF DISPUTES

9.1 Agreement to Avoid Litigation. Grantor, the Association, and the Owners agree that it is in their best interests to provide a fair, impartial, and expeditious procedure for the resolution of disputes related to the Community Documents instead of costly, lengthy, and unpredictable litigation. Accordingly, Grantor, the Association (including its officers, directors and committee members), each Owner and any party claiming a right or interest under the Community Documents (each, a “**Bound Party**”) agree to encourage the efficient resolution of disputes within the Community without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances, or disputes arising out of or relating to the interpretation, application, or enforcement of the Community Documents or the rights, obligations, and duties of any Bound Party under the Community Documents (“**Claims**”) will be subject to the provisions of Section 9.3 unless exempt under Section 9.2. All Claims will be subject to resolution pursuant to this Article 9 as a condition precedent to the institution or continuation of any legal or equitable proceeding; provided, however, any Bound Party may proceed in accordance with applicable law to comply with any notice or filing deadlines prior to resolution of the Claim.

9.2 Exemptions. The following Claims will not be subject to this Article 9 unless all Bound Parties thereto agree to submit such Claim to these dispute resolution procedures:

9.2.1 Any Claim by the Association against any Bound Party to enforce the obligation to pay any Assessment to the Association under the Community Documents;

9.2.2 Any Claim by Grantor or the Association to obtain injunction or equitable relief to enforce any provision of the Community Documents;

9.2.3 Any Claim between Owners where the Grantor or the Association are not a party thereto, which Claim would constitute a cause of action independent of the Community Documents;

9.2.4 Any Claim in which any indispensable party is not a Bound Party;

9.2.5 Any Claim against a Released Party that would be barred by Section 2.8;

9.2.6 Any Claim which otherwise would be barred by any applicable law (such as, for example, the applicable statute of limitations); and

9.2.7 Any Claim arising out of or relating to the interpretation, application, or enforcement of any purchase, sale, or construction agreement with Grantor or any builder related to the construction of Improvements within the Community, or the rights, obligations, and duties of any Bound Party under such agreements, it being understood that applicable law and the provisions of such agreements will control the resolution of any claims or disputes related thereto.

9.3 Dispute Resolution.

9.3.1 *Direct Discussions.* Any Bound Party having a Claim against any other Bound Party will notify such party(ies) of the Claim in writing, stating plainly and concisely the following: (a) the nature of the Claim; (b) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises); (c) the basic facts supporting the allegations in the Claim; (d) the other Persons involved in the Claim or with personal knowledge of the facts alleged; and (e) the claimant's proposed remedy, including the specific monetary amounts (if any) demanded. The Bound Parties to the Claim will make reasonable efforts to meet in person to resolve the Claim by good faith discussions and negotiations – it being understood that the best opportunity to achieve a fair and satisfactory resolution to a Claim is ordinarily through early discussions and negotiations held in good faith.

9.3.2 *Dispute Resolution.* If the Bound Parties to a Claim are unable to resolve the Claim through direct discussions within a reasonable time, either Bound Party may submit the Claim to the Board for assistance in resolving the Claim. In such event, the Board may, by notice to each Bound Party to the Claim within thirty (30) days of its receipt of a request for assistance:

9.3.2.1 Order the Bound Parties to continue direct discussions and negotiations for a period of up to thirty (30) days. If the Claim is not resolved in such period, any Bound Party may request the Board's assistance to resolve the Claim;

9.3.2.2 Order the Bound Parties to mediate the Claim with an independent real estate attorney, real estate professional, or judge selected by the Association. The mediator will set the rules of the mediation. Any party to the mediation can invite additional parties to the mediation if the presence of such additional party is required for a complete resolution of any Claim. The parties will share the mediator's fee and any filing fees equally. Unless otherwise agreed, the mediation will be held within thirty (30) days of the order for mediation and will be held in a neutral location near the Community selected by the mediator. Agreements reached in mediation will be enforceable as settlement agreements in any court having jurisdiction thereof. If the mediation does not resolve the Claim, the Bound Parties may proceed to litigation of the Claim in any court of competent jurisdiction;

9.3.2.3 Order the Bound Parties to settle the Claim through arbitration by a single arbitrator conducted in accordance with the Idaho Uniform Arbitration Act (Idaho Code, Title 7, Chapter 9) except as otherwise provided herein. The arbitrator will be any independent real estate attorney or judge appointed by the Association. The arbitrator will set the rules of the arbitration. The arbitrator may, in its discretion, order parties to produce documents relevant to the dispute and may order written discovery and depositions (but with care to avoid burdensome discovery or depositions). The arbitrator will endeavor to hold the arbitration at mutually convenient times and locations; provided, however, the arbitrator will endeavor to complete the arbitration within forty-five (45) days after appointment of the arbitrator. The parties will bear their own attorneys' fees (if any) and

share the arbitrator's fees equally; provided, however, the arbitrator may award costs, arbitrator's fees, and attorneys' fees to the substantially prevailing party. The arbitrator's award will be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof;

9.3.2.4 If the Claim is within the jurisdiction of the Small Claims Department of the Magistrate Division (currently, monetary claims for \$5,000 or less), order a Bound Parties to file such Claim exclusively therein; or

9.3.2.5 Elect to exempt the Claim from this Article 9, at which time the Bound Parties are free to exercise any right or remedy in accordance with applicable law.

If the Board fails to notify the Bound Parties within thirty (30) days of its receipt of a request for assistance, the Board will be deemed to have elected to exempt the Claim from this Article 9.

9.3.3 If the Bound Parties resolve any Claim through mediation or arbitration pursuant to this Article 9 and any Bound Party thereafter fails to abide by the terms of such resolution (i.e., settlement agreement or arbitrator's award), then any other Bound Party may take any legal or other action to enforce such settlement agreement or arbitrator's award without the need to comply again with the procedures set forth in this Article 9. In such event, the Bound Party taking action to enforce the resolution will be entitled to recover from any non-complying Bound Party all costs and attorneys' fees reasonably incurred in such enforcement.

ARTICLE 10 INITIAL DEVELOPMENT PERIOD

10.1 Initial Development Period. The "Initial Development Period" commences on the Effective Date and terminates on the day Grantor (or the assignee of Grantor's rights hereunder) no longer owns any Lots (including Lots annexed into the Community in the future) or on the day Grantor terminates its rights by notice to the Association.

10.2 Community Management. Each Owner recognizes that the Community will require a high level of knowledge, effort, judgment, diligence, and attention during the Initial Development Period, and that level is beyond what can reasonably be expected from Community volunteers. Accordingly, each Owner agrees that it is in the best interest of the Community for Grantor to have full management authority for the Community during the Initial Development Period, including the sole and exclusive right to appoint, remove, and replace directors of the Board and members of the Committee at any time and from time-to-time in Grantor's sole discretion. In furtherance thereof, each Owner hereby irrevocably appoints Grantor as its proxy during the Initial Development Period with respect to its membership interest in the Association (including voting rights with respect to any matter for which a vote of the Owners is desired or required), which proxy will be coupled with Grantor's interest in the Community and, notwithstanding anything to the contrary contained elsewhere in the Community Documents, is irrevocable during the Initial Development Period.

10.3 General Exemptions. Grantor may, from time-to-time in Grantor's discretion and without first seeking or obtaining the approval of Association or Committee:

10.3.1 Make modifications or Improvements on any Lot or the Common Area as Grantor deems appropriate;

10.3.2 Place or authorize signs of such size, design, and number as Grantor deems appropriate for the initial development of the Community, including signs to identify the Community, display information pertaining to the Community, display information or instructions to builders, to advertise Lots and homes for sale (including sale events and open houses), and to advertise of Community elements or events;

10.3.3 Authorize any developer or contractor to use any Lot as a model home, sales office, construction office, or construction storage yard;

10.3.4 Place or authorize portable or temporary structures upon any Lot or the Common Area; and

10.3.5 Establish or reserve such additional covenants, conditions, restrictions, or easements on any Lot prior to conveyance thereof as Grantor deems necessary or convenient for the development of the Lot or the Community.

10.4 Water Rights Appurtenant to Community Lands. Grantor owns certain water rights which are appurtenant to the Community and which may be utilized in the Irrigation. Grantor hereby reserves unto itself any and all water rights appurtenant to the Community, and Owners of any and all Lots accordingly will have no right, title, or interest in any of said water or water rights.

10.5 Grantor's Exception from Assessments. If Grantor owns any Lots during the first four (4) years following the date Assessments are first assessed against the Owners of Lots, Grantor will not be assessed any Regular Assessments or Special Assessments for any Lots owned by Grantor. If Grantor owns at least one (1) Lot during such period, Grantor will pay the shortfall, if any, in the operating Expenses of the Association; provided, however, such obligation will not exceed the amount that the Regular Assessments and Special Assessments that Grantor would otherwise be assessed as an Owner multiplied by the total number of Lots owned by Grantor on the date Regular Assessments or Special Assessments are assessed against the Owners of Lots. After the foregoing period, Grantor will be assessed Regular Assessments and Special Assessments for each Lot owned by Grantor.

10.6 Assignment of Grantor's Rights. Grantor may assign any or all of its rights under the Community Documents to any Person in a written instrument that contains the assignee's acceptance of such assignment and agreement to assume any of Grantor's obligations pertaining to the rights assigned, which acceptance and assumption will be effective upon the recordation of such written instrument recorded in the real property records of Ada County, Idaho. Grantor will promptly provide a copy of the recorded instrument to the Association and, thereupon, be released from Grantor's obligations pertaining to the rights assigned.

ARTICLE 11 TERM

The easements created hereunder are perpetual, subject only to extinguishment by the holders of such easements as provided by law. The remainder of this Declaration runs until December 31, 2049 and thereafter will be automatically extended for successive periods of ten (10) years each, unless earlier amended or terminated in accordance with Article 13.

ARTICLE 12 ANNEXATION AND DEANNEXATION

Grantor may annex additional lands into the Community from time-to-time by recording a supplement to this Declaration declaring such additional lands to be part of the Community and subject to this Declaration (each a “**Supplemental Declaration**”). Such Supplemental Declaration may add or delete covenants, conditions, restrictions, and easements applicable to the annexed lands as Grantor may deem appropriate. Upon annexation, Owners within the annexed lands shall become Owners in the Community on equal footing with the then current Owners in the Community, and shall have the same rights, privileges, and obligations (except as may otherwise be set forth in the annexing Supplemental Declaration). Grantor shall have the right to de-annex any property owned by Grantor from the Community upon Grantor’s recordation of a Supplemental Declaration identifying the de-annexed lands and declaring that such lands shall no longer be subject to this Declaration. In order to be valid, all Supplemental Declarations must refer to this Declaration and be recorded in the real property records of Ada County, Idaho.

ARTICLE 13 AMENDMENTS

13.1 Amendment. From and after the recordation of this Declaration until the expiration or earlier termination of the Initial Development Period, Grantor shall have the exclusive right to amend, or terminate, this Declaration by executing a written instrument setting forth such amendment, or termination, and the same shall be effective upon the recordation thereof with the Ada County Recorder’s Office. After the expiration or earlier termination of the Initial Development Period, any amendment to this Declaration, or termination hereof, shall be by a written instrument setting forth such amendment or termination, signed and acknowledged by the president and secretary of the Association certifying and attesting that such amendment or termination has been approved by the vote or written consent of members representing more than sixty-five percent (65%) of the total voting power in the Association, and the same shall be effective upon the recordation thereof with the Ada County Recorder’s Office.

13.2 Effect of Amendment; Mortgage Protection. Any Supplemental Declaration or amendment or termination of this Declaration will be effective upon its recordation with the Ada County Recorder’s Office and will be binding on and effective as to all Owners, whether or not such Owners voted for or consented to such Supplemental Declaration or amendment or termination. Any Supplemental Declaration or amendment to this Declaration may add to, delete, and/or otherwise change the covenants, conditions, restrictions and easements applicable to the Community; provided, however, notwithstanding any other provision of this Declaration, no Supplemental Declaration or amendment will operate to defeat or render invalid the rights of the beneficiary under any Mortgage made in good faith and for value, and recorded prior to the recordation of such Supplemental Declaration or amendment, provided that after foreclosure of any such Mortgage, such Lot will remain subject to this Declaration as supplemented or amended.

13.3 No Amendment of Required Provisions. Unless the express written and recorded consent of the City of Meridian has been obtained, this Declaration may not be amended or terminated with respect to the following: (a) any provision of this Declaration which has been required by the City of Meridian in its approval of this Declaration, or which affects, recognizes, conveys, and/or confers upon the City of Meridian any easement, right, or power; (b) any material provisions relating to easements, access, and/or the operation repair, maintenance, or replacement of Common Area, infrastructure, and/or public works systems; or (c) any dissolution or termination of the Association.

ARTICLE 14 NOTICES

Any notices, invoices, consents, approvals, or other communications required or permitted by this Declaration will be in writing and may be delivered personally, by electronic mail or by U.S. mail. Each Owner will be responsible for ensuring that the Association has such Owner's then current mailing address, physical address, electronic mail address and telephone numbers. Each Owner will be deemed to have received any notice when such notice is actually received by such Owner (regardless of the method of delivery) or when such notice is delivered to any of the addresses then currently on file with the Association. Notices delivered by U.S. Mail will not be deemed received until three (3) business after posting. The Association will provide the notice addresses of all Owners to Grantor or any other Owner promptly upon request.

ARTICLE 15 MISCELLANEOUS

15.1 Interpretation. This Declaration will be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Community. All recitals to this Declaration are true, correct, material, and are hereby incorporated as if set forth herein in full. As used herein, the word "including" will be deemed to be followed by "but not limited to" unless otherwise indicated. Unless the context requires a contrary construction, the singular will include the plural and the plural the singular; and the masculine, feminine or neuter will each include the masculine, feminine and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and will not affect that which is set forth in any of the provisions hereof. As used herein the terms "shall," "will," and "must" may be used interchangeably and are mandatory, while the term "may" is permissive. *In the event that any provision of this Declaration is deemed ambiguous on any matter, the Board's interpretation such provision will be given deference so long as the interpretation is a permissible construction of such provision.*

15.2 Governing Law. This Declaration will be governed by the laws of the State of Idaho without regard to its conflicts of law principles. Any legal action to interpret or enforce this Declaration will be filed exclusively in the state or federal courts situated in Ada County, Idaho.

15.3 Severability. Each provision of this Declaration will be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof will not affect the validity or enforceability of any other provision herein.

15.4 Entire Agreement. This Declaration and the documents referenced herein constitute the sole agreement between the parties with respect to the subject matter herein and supersedes all prior understandings and agreements (including, without limitation, the Original Declaration) with respect to the subject matter hereof.

15.5 No Third Party Beneficiaries. Except for those portions hereof that reasonably relate to the Master Common Area Association and which are expressly for the benefit of the Master Common Area Association, and as otherwise set forth herein, this Declaration and each and every provision herein is for the exclusive benefit of Grantor, the Association, and the Owners and not for the benefit of any third party.

15.6 No Waiver. No waiver by the Association hereunder may be oral. No waiver, forbearance, delay, indulgence, or failure by the Association to enforce any of the provisions of this Declaration will in any way prejudice or limit the Association's right thereafter to enforce or compel strict compliance with the provision hereof, any course of dealing or custom of the trade notwithstanding. No delay or omission on the part of the Association will operate as a waiver thereof, nor will any waiver by the Association of

any breach of this Declaration operate as a waiver of any subsequent or continuing breach of this Declaration.

15.7 Enforcement; Remedies. The failure of any Owner or Occupant to comply with applicable law pertaining to the ownership, use, or occupancy of any Lot or the Community, or to comply with any provision of the Community Documents, is hereby declared a nuisance and gives rise to a cause of action (subject to Article 9) in Grantor, the Association (on its own and/or on behalf of any consenting Owners), and any affected Owner for recovery of damages or for negative or affirmative injunctive relief or both enforce the provisions hereof only as set forth in this Declaration. Each remedy provided herein is cumulative and not exclusive. If any party initiates or defends any legal action or proceeding to interpret or enforce any of the terms of this Declaration, the substantially prevailing party will be entitled to recover any costs and attorneys' fees reasonably incurred therein.

15.8 Consents and Approvals. Subject to Grantor's proxy rights during the Initial Development Period as set forth in Section 10.2, any consents or approvals required or contemplated herein must be in a writing executed by the party whose consent or approval is required or contemplated. No Owner unreasonably withhold, condition or delay its consent or approval of any matter requested by Grantor, the Association, the Committee or another Owner.

[end of text; signature page follows]

IN WITNESS WHEREOF, Grantor has executed this Declaration effective as of the Effective Date.

“Grantor”

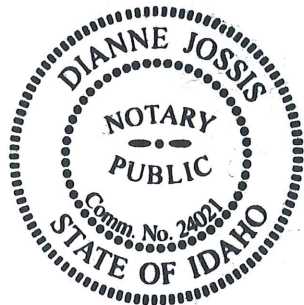
C15 LLC, an Idaho limited liability company

By: 
James D. Conger, Member

STATE OF IDAHO)
) ss.
County of Ada)

On this 19th day of July, 2019, before me, a Notary Public in and for said State, personally appeared **James D. Conger**, known or identified to me to be a **Member** of **C15 LLC**, an Idaho limited liability company, the person who subscribed said limited liability company’s name to the foregoing instrument, and acknowledged to me that s/he executed the same in said limited liability company’s name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written





Notary Public for Idaho
Residing at: Ada County
My commission expires: 8/1/25

EXHIBIT A

Graphic Depiction of Lot 2, 5 and 6 Maintenance Property

