

AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PINWOOD LAKES

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PINWOOD LAKES (the "Declaration") is made effective as of the ___ day of _____, 2019, by Pinewood Lakes Community Association, Inc., an Idaho non-profit corporation ("Master Association").

Upon the recording of this Declaration, the following document shall be void and of no further force or effect.

Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes dated October 31st, 2005, and recorded November 2, 2005, as Instrument No. 105165860, in the official records of Ada County, Idaho.

RECITALS

- A. The Master Association has interest in certain real property located in Ada County, Idaho, more commonly known as Pinewood Lakes and more particularly described in that certain Amended and Restated Declaration of Covenants and Restrictions for the Pinewood Lakes, which was recorded in Ada County, Idaho November 2, 2005 as Instrument Number 105165858 (the "Property") as Supplemented by;

First Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes, dated January 14, 2004, recorded in the real property records of Ada County, Idaho on January 14, 2004, as Instrument No. 104004609.

Second Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes Subdivision, dated July 27, 2005, recorded in the real property records of Ada County, Idaho on July 27, 2005, as Instrument No. 105102692.

Third Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes Subdivision, dated October 31, 2005, recorded in the real property records of Ada County, Idaho on November 2, 2005, as Instrument No. 105165860.

Fourth Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes Subdivision, dated August 15, 2006, recorded in the real property records of Ada County, Idaho on August 22, 2006, as Instrument No. 106135456.

Second Amendment to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes Subdivision, dated August 8, 2006, recorded in the real property records of Ada County, Idaho on August 22, 2006, as Instrument No. 106135455.

Fifth Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes Subdivision, dated September 14, 2007, recorded in the real property records of Ada County, Idaho on January 23, 2008, as Instrument No. 108008120.

Sixth Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes Subdivision, dated July 27, 2005, recorded in the real property records of Ada County, Idaho on July 27, 2005, as Instrument No. 105102692.

Seventh Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes Subdivision, dated November 13, 2012, recorded in the real property records of Ada County, Idaho on August 23, 2013, as Instrument No. 113096806.

- B. The Master Association was formed on May 7, 2003 and has an interest in portions of the Property,
- C. Pursuant to Section 18.2.2 of the Master Declaration, the Master Declaration may be amended by an instrument in writing signed and acknowledged by the President and Secretary of the Master Association certifying and attesting that such amendment has been approved by the vote or written consent of members representing at least two-thirds (2/3) of the total voting power in the Master Association.
- D. The Master Association now desires to amend the Master Declaration as set forth herein.

NOW THEREFORE, Master Association hereby amends the Master Declaration as follows:

ARTICLE I: RECITALS

1.1 Property Covered. The property is subject to this Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes is the property legally described in Exhibit A and all Supplements, attached hereto and made a part hereof (sometimes referred to herein as "Pinewood Lakes"). Each Phase shall be subject to this Declaration, as may be amended or supplemented from time to time, and all property made subject to this Declaration shall be referred to as the "Property." Unless and until a Supplemental Declaration is recorded with the Ada County Recorder's Office, no property located within Pinewood Lakes or otherwise shall be subject to this Declaration.

1.2 Purpose of Declaration. The purpose of this Declaration is to set forth the basic restrictions, Covenants, limitations, easements, conditions and equitable servitudes (collectively "Restrictions") that will apply to the entire Pinewood Lakes Community Association, Inc. (the "Master Association) and use of all portions of the Property. The Restrictions are designed to preserve the Property's value, desirability, attractiveness, to ensure a well-integrated, high quality development, and to guarantee adequate maintenance of the Common Area and the Improvements located thereon in a cost effective and administratively efficient manner.

1.3 Eighth Supplement to Remain in Effect. The Eighth Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes by Arete Investments Group, LLC, an Idaho limited liability company (Grantor) and Pinewood Lakes Community Association, Inc., an Idaho nonprofit Corporation ("Association"), dated February 2, 2018, recorded in the real property records of Ada County, Idaho on March 19, 2018, as Instrument No. 2018-024164, shall remain in full effect.

ARTICLE II: DECLARATION

2.1 Declaration. Master Association hereby declares that the Property, and each Lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms and Restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms and Restrictions set forth herein shall run with the land constituting the Property, and with each estate therein, and shall be binding upon any Person having or acquiring any right, title or interest in the Property or any Lot, parcel or portion thereof, shall inure to the benefit of every Lot, parcel or portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon Master Association, Master

Association's successors in interest and each grantee or Owner and such grantee's or Owner's respective successors in interest, and may be enforced by the Master Association, any grantee or grantee's successors, any Owner or Owner's successors, or by the Master Association or any Local Association. In the event of any conflict between this Declaration and any other of the Project Documents, defined below, this Declaration shall control.

2.2 No Recordation. No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Master Association's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Master Association. This Section 2.2 may not be amended without the written consent of the Master Association. The rights contained in this Section 2.2 shall terminate upon the earlier of: (1) twenty (20) years from the date this Declaration is recorded; or (2) upon recording by the Master Association of a written statement that all construction, sales and/or leasing activity has ceased.

ARTICLE III: DEFINITIONS

3.1 "Articles" shall mean the Articles of Incorporation of an Association or other organizational or charter documents of an Association.

3.2 "Assessments" shall mean those payments required of Owners, Master Association Members, or Local Association Members, including Regular, Special and Limited Assessments of any Association as further defined in this Declaration.

3.3 "Association" shall mean the Master Association and/or a Local Association, whichever is appropriate in the context.

3.4 "Association Rules" shall mean those rules and regulations promulgated by an Association governing conduct upon and use of the Property under the jurisdiction or control of an Association, the imposition of fines and forfeitures for violation of Association Rules and regulations, and procedural matters for use in the conduct of business of an Association.

3.5 "Board" shall mean the Board of Directors or other governing board or individual, if applicable, of an Association.

3.6 "Building Envelope" shall mean the area within a Lot where a residential structure and accessory structures may be located, always subject to the prior written approval of the Design and Modification Committee. Building Envelopes, if any, shall be designated by Master Association by describing such an area on

a recorded Plat, reserving Building Envelopes in a deed or other instrument, or by designating Building Envelopes as such in this Declaration, any Supplemental Declaration or the Design Guidelines. If a Building Envelope is not so designated within a Lot, then the Building Envelope shall be that portion of the Lot located inside the legal setback areas.

3.7 "Bylaws" shall mean the Bylaws of an Association.

3.8 "Common Area" shall mean any or all parcels of Pinewood Lakes Common Area or Local Common Area, whichever is appropriate in the context, and shall include, without limitation, all such parcels that are designated as private streets or drives, parking areas or drives, common open space, pastures, wildlife habitat, common landscaped areas, storage facilities, recreational facilities, other amenities and facilities, and Waterways. The Common Area may include easement and/or license rights.

3.9 "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Property and Pinewood Lakes. Such standard may be more specifically determined by the Board and/or the Design and Modification Committee.

3.10 "Declaration" shall mean this Declaration as it may be amended from time to time.

3.11 "Design and Modification Committee" shall mean the Design Committee created pursuant to Article XI hereof.

3.12 "Design Guidelines" shall mean the design guidelines and rules promulgated, published, amended and supplemented from time to time pursuant to Article XI.

3.13 "First Mortgage" shall mean any Mortgage which is not subordinate to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

3.14 "Improvements" shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed, placed upon or allowed on, under or over any portion of the Property, including, without limitation, residential structures, accessory structures, fences, streets, drives, driveways, parking areas, sidewalks, bicycle paths, curbs, landscaping, walls, hedges, plantings, trees, wildlife habitat improvements, living and/or dead vegetation, rocks, signs, lights, mail boxes, electrical lines, pipes, pumps, ditches, Waterways, recreational facilities, grading, road construction, utility improvements, removal of trees and other vegetation, and any new

exterior construction or exterior improvement which may not be included in the foregoing. Improvement(s) includes both original improvements existing on the Property on the date hereof and all later changes and Improvements.

3.15 "Limited Assessment" shall mean a charge against a particular Owner and such Owner's Lot, directly attributable to the Owner, equal to the cost incurred by the Master Association or Local Association for corrective action performed pursuant to the provisions of this Declaration or any Supplemental Declaration, including, without limitation, damage to any Common Area, or the failure of an Owner to keep such Owner's Lot and/or Improvements in proper repair, and including interest thereon as provided in this Declaration and/or a Supplemental Declaration.

3.16. "Local Association" shall mean any profit or not-for-profit Idaho corporation or unincorporated association, or the successors of any of them, organized and established pursuant to the terms of this Declaration or a Supplemental Declaration by the Master Association.

3.17 "Local Association Board" shall mean the duly elected and qualified Board of Directors, or other governing board or individual, if applicable, of a Local Association.

3.18 "Local Common Area" shall mean all real property in which a Local Association holds an interest, or which is held or maintained for the mutual use and benefit of such Local Association and its Members. Local Common Area may be established from time to time by the Master Association on any portion of the Property by describing such an area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designating it as such in this Declaration or in any Supplemental Declaration. Local Common Area may include easement and/or license rights.

3.19 "Lot" shall mean any parcel of real property which is shown on the recorded plat or plats of the Subdivision and shall for purposes of determining Association voting rights and assessments hereunder shall mean any residential dwelling unit on said Lot. This term specifically includes each Single-Family house, Townhouse, and Patio Home, each of which will be considered a Lot for voting and assessment purposes in this Declaration

3.20 "Majority" shall mean fifty percent (50%) plus one (1) unless defined differently in specific context.

3.21 "Master Association" shall mean the Pinewood Lakes Community Association, Inc., an Idaho non-profit corporation, its successors and assigns, to

exercise the powers and to carry out the duties set forth in this Declaration or any Supplemental Declaration.

3.22 "Member" shall mean each person or entity holding a membership in the Master Association. Where specific reference or the context so indicates, it shall also mean persons or entities holding membership in a Local Association.

3.23 "Mortgage" shall mean any mortgage, deed of trust, or other document pledging any portion of the Property or interest therein as security for the payment of a debt or obligation.

3.24 "Occupant" shall mean any resident or occupant of a Lot other than the Owner, including, without limitation, family members, guests, invitees and/or tenants.

3.25 "Owner" shall mean the person or other legal entity, including Master Association, holding fee simple interest of record to a Lot which is a part of the Property, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation.

3.26 "Person" shall mean any individual, partnership, corporation or other legal entity.

3.27 "Phase" shall mean a defined portion of the Property within which the contemplated development involves a common use or compatible uses, and which may have been designed as a Phase by recorded Supplemental Declaration. Each Phase shall contain one or more Lots and may be managed to the extent permitted herein by a Local Association.

3.28 "Pinewood Lakes" shall mean the Property.

3.29 "Pinewood Lakes Common Area" shall mean all real property in which the Master Association holds an interest, or which is held or maintained, permanently or temporarily, for the common use, enjoyment and benefit of the entire Pinewood Lakes and each Owner therein. Pinewood Lakes Common Area may be established from time to time by the Master Association on any portion of the Property by describing it on a plat, by granting or reserving it in a deed or other instrument, or by designating it pursuant to this Declaration or any Supplemental Declaration. Pinewood Lakes Common Area is to be distinguished from Local Common Area, which may or may not allow entry and use by those Owners who are not Members of a Local Association or who are not Owners within a particular Phase. Pinewood Lakes Common Area may include easement and/or license rights.

3.30 "Plat" shall mean any subdivision plat covering any portion of the Property as recorded at the office of the County Recorder, Ada County, Idaho, as the same may be amended by duly recorded amendments thereof.

3.31 "Project Documents" shall mean the basic documents creating and governing the Property including, without limitation, this Declaration, any Supplemental Declarations, Articles of Incorporation and Bylaws of the Association, the Association Rules, the Plat, the Design Guidelines and any other procedures, rules, regulations or policies adopted under such documents by the Association, the Design and Modification Committee and Review Committee.

3.32 "Property" shall mean those portions of the Property described on Exhibit A and Supplements attached hereto and incorporated herein by this reference, including each Lot, parcel and portion thereof and interest therein, including all water rights associated with or appurtenant to such property.

3.33 "Regular Assessment" shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Areas and all improvements located thereon, and the other costs of an Association which is to be levied against the Property of and paid by each Owner to the Master Association, or applicable Local Association, pursuant to the terms hereof or the terms of this Declaration or a Supplemental Declaration.

3.34 "Review Committee" shall mean a committee appointed by the Master Association Board and/or a Local Association Board, whichever is appropriate in the context, to review reported CC&R violations and execute the CC&R Enforcement Procedures as required. If the Association cannot find sufficient volunteers to serve on this Committee, the Board shall serve as the Committee.

3.35 "Special Assessment" shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized and to be paid by each Owner to the Master Association, or applicable Local Association pursuant to the provisions of this Declaration or a Supplemental Declaration.

3.36 "Supplemental Declaration" shall mean any supplemental declaration including additional covenants, conditions and restrictions that might be adopted with respect to any portion of the Property.

3.37 "Townhomes/Patio Homes" shall mean any development approach in which Lots are reduced in size and/or sited relatively closer together in clusters as compared to other Lots in the Property.

3.38 "Waterway" shall mean any surface water amenity, including, without limitation, any lake, pond, channel, slough, stream, or reservoir, natural or artificial, which is located on the Property and which is included within or managed as Common Area.

ARTICLE IV: GENERAL AND SPECIFIC RESTRICTIONS

4.1 Improvements – Generally. All improvements are to be designed, constructed and used in such a manner as to promote compatibility between the types of use contemplated by this Declaration and to maintain the Community-Wide Standard. Specific design and construction guidelines are contained in the Design Guidelines. The Design Guidelines and the general instructions set forth in this Declaration shall govern the right of a Person or Owner, excluding the Master Association, to construct, reconstruct, refinish, remove, add, alter or maintain any Improvement upon, under or above the Property, and to make or create any excavation or fill on the Property, or to make any change in the natural or existing surface contour or drainage, or install any utility line or conduit on, under or above the Property, including, without limitation, any Lot. All Improvements by any Owner, excluding the Associations, must be pre-approved in writing by the Design and Modification Committee or their designate, as applicable, prior to such Owner's construction or reconstruction.

All Lots, other than the Lot(s) used for Common Area or utility facilities and services, shall be used exclusively for and/or in connection with single-family residential or commercial purposes. No Lot, other than the Lot(s) used for Common Area commercial or utility facilities and services, shall be improved except with residential structures and accessory structures as permitted under the Design Guidelines. This Declaration is not intended to serve as authority for the Design and Modification Committee or their designate, as applicable, to control the interior layout or design of residential structures except to the extent incidentally necessitated by use, size and height restrictions. This Declaration is intended to serve as authority for the Design and Modification Committee or their designate, as applicable, to use its judgment to see that all Improvements conform and harmonize as to external design, quality and type of construction, architectural character, materials, color, location on the Property, height, grade and finished ground elevation, natural conditions, landscaping, and all aesthetic considerations as set forth in this Declaration and in the Design Guidelines.

4.1.1 Design and Modification Committee Review. No improvements which will be visible above ground or which will ultimately affect the visibility of any above ground Improvement shall be built, erected, placed or materially altered on or removed from the Property unless and until the building plans, specifications,

and plot plan have been reviewed in advance by the Design and Modification Committee or their designate, as applicable, and the same have been approved in writing. The review and approval or disapproval may be based upon the following factors: the Design Guidelines, design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color, materials, including mandatory roofing materials, physical or aesthetic impacts on other properties, including Common Areas, artistic conformity to the terrain and the other improvements on the Property, and any and all other factors in connection with the Community-Wide Standard that the Design and Modification Committee or their designate, as applicable, in their reasonable discretion, deem relevant.

4.2 Exterior Maintenance: Owner's Obligation. No Improvement and/or structures shall be permitted to fall into disrepair, and each Improvement shall at all times be kept in good condition and repair. In the event that any Owner shall permit any Improvement, including trees and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or damages property or facilities on or adjoining such Owner's Lot. The Association, upon thirty (30) days' prior written notice to the Owner of such Lot, shall have the right to correct such condition, and to enter upon such Owner's Lot for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments as set forth herein. The Owner of the offending Lot shall be personally liable, and such Owner's Lot may be subject to a lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due, if any. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor, or the amounts may, at the option of the Board, be added to the amounts payable by such Owner as Regular Assessments.

4.3 Landscaping. The Design Guidelines have defined landscaping permitted and required. In the event that any Owner shall fail to install and maintain landscaping in conformance with such guidelines or shall allow such Owner's landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Association, upon thirty (30) days' prior written notice to such Owner, and such Owner shall promptly reimburse the Association for the cost thereof. Such costs shall be Limited Assessment and shall create a lien enforceable in the same manner as other Assessments as set forth herein. The Owner of the offending Lot shall be personally liable, and such Owner's Lot may be subject to a lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due, if any. Each Owner shall pay all amounts due for such work within (10) days after

receipt of written demand therefor, or the amounts may, at the option of the Board, be added to the amounts payable by such Owner as Regular Assessments. In designing and installing landscaping, each Owner should refer to and be guided by Exhibit B (Homebuilders and Homeowners Drainage and Landscape Recommendations), attached hereto and made a part hereof.

4.4 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, including Common Area or unbuilt Lots, and no odor shall be permitted to arise from any portion of the Property so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the Property or to its occupants or residents, or to any other property in the vicinity thereof or to its occupants or residents. No unsightly articles shall be permitted to remain on any Lot so as to be visible from any other portion of the Property. 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, metals, bulk material, and scrap shall be kept at all times in such containers, behind such screens, and in such areas as approved by the Design and Modification Committee, as applicable. No clothing or fabric shall be hung, dried or aired in such a way as to be visible to any other portion of the Property. No refuse of any kind shall be placed into or allowed to enter any Waterway.

4.5 Trade or Business. No trade or business of any kind may be conducted in or from any Lot; provided, however, an owner or occupant of a Lot may conduct such business activity from such Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from the exterior of the owner's or occupant's dwelling on the Lot; (b) the business activity conforms to all zoning requirements for the Lot; (c) the business activity does not involve persons coming onto the Lot who do not own or occupy the Lot; (d) the business activity does not increase the liability or casualty insurance obligation or premium of the Association; and (e) the business activity is consistent with the community-wide standard and does not constitute a nuisance or hazardous or offensive use, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this Section 4.5, shall be construed to have their ordinary generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full- or part-time; (ii) such activity is intended to or does generate a profit; and

(iii) a license is required therefor (iv) owners employees must park in owners driveway.

An owner or occupant of a Lot shall not, without the prior written consent of the Board, make any structural alterations in or additions to the owner's or occupant's dwelling on the Lot, make any interior alternations in or additions to such dwelling visible from the exterior of such dwelling, or make any alterations in or additions to the exterior of such dwelling or to any other portion or portions of the Common Area to facilitate such trade or business. Provided, however, the intent of such restriction is not intended to interfere with the original construction or modification of any such dwelling on a Lot as provided further herein.

4.6 No Hazardous Activities. No activities shall be conducted on the Property, and no Improvements shall be constructed on the Property that are or might be unsafe or hazardous to any Person or property.

4.7 No Mining or Drilling. No portion of the Property shall be used for the purpose of blasting, mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, sand, gravel or earth. This Section shall not prohibit exploratory drilled or coring which is necessary to construct Improvements including, without limitation, water facilities.

4.8 Insurance Rates. Nothing shall be done or kept on the Property and/or any Lot that will increase the rate of, or cancel any insurance on any other portion of the Property without the approval of the Owner(s) of such other portion, nor shall anything be done or kept on the Property and/or any Lot that would result in the cancellation of insurance on any portion of the Property owned and/or managed by the Association or which would be in violation of any law.

4.9 Vehicles and Equipment. The use of all vehicles and equipment, including, without limitation, trucks, automobiles, bicycles, motorcycles, recreational vehicles, all-terrain vehicles, motor homes, motor coaches, campers, trailers, snowmobiles, aircraft, boats, snow removal equipment, garden maintenance equipment, and yard maintenance equipment shall be subject to any of the Project Documents that prohibit or limit the use thereof within the Property. Without limiting the foregoing, the following specific restrictions apply:

(a) all on-street parking on public streets shall be controlled and enforced by city ordinance;

(b) vehicles shall not extend or otherwise be permitted on or into any sidewalk, bicycle path, pedestrian path, or waterway unless such vehicle is engaged in an emergency procedure, or as provided elsewhere in the Project Documents;

(c) no motorhomes, motor coaches, campers, trailers, snowmobiles, aircraft, boats, recreational vehicles, all-terrain vehicles, abandoned or inoperable vehicles (that is, any vehicle which has not been driven under its own propulsion for a period of seven (7) days or longer), oversized vehicles (that is, vehicles which are too high or too wide to clear the entrance of an approved residential garage door opening), dilapidated or unrepaired and unsightly vehicles or similar equipment such as snow removal equipment, garden maintenance equipment and all other potentially unsightly equipment and machinery shall be placed upon any portion of the Property including, without limitation, private streets, parking areas, and driveways, unless the same are enclosed by a structure concealing them from view in a manner approved by the Design and Modification Committee, as applicable.

(d) to the extent possible, garage doors shall remain closed at all times;

(e) the use of electronic, gas or other fuel operated gardening, yard or snow removal equipment shall only be allowed from 8:00 a.m. to 8:00 p.m.

4.10 Animals/Pets. No animals, birds, insects, pigeons, poultry or livestock shall be kept on the Property. This Section is not intended to prohibit the keeping of up to two (2) domesticated dogs, up to two (2) domesticated cats, and other typical household pets which do not unreasonably bother or constitute a nuisance to others. Without limiting the generality of the foregoing, consistent and/or chronic barking by dogs or similar sounds by other household pets shall be considered a nuisance. Each dog or other similar household pet in Pinewood Lakes shall be kept on a leash, curbed, and otherwise controlled at all times when such animal is off the premises of its owner and are to be kept in compliance with all applicable State and local laws and ordinances. Such owner shall clean up any animal defecation immediately from any Common Area or public right-of-way. Failure to do so may result, at the Board's discretion, with a Limited Assessment levied against such animal owner. No dog or cat shall be allowed in any Waterway or allowed to entered surrounding farm ground. The construction of dog runs, or other pet enclosures shall be subject to applicable Design Guidelines and shall be appropriately screened and maintained in a sanitary condition. Dog runs or other pet enclosures shall be placed a minimum of ten (10) feet from the side and/or rear Lot line, shall not be placed in any front yard of a Lot, or be visible from the street, and shall be screened from view so as not to be visible from Common Area or an adjacent Lot.

4.11 No Mobile Homes or Temporary Structures. No house trailer, manufactured home, mobile home, tent (other than for short term recreational use), shack or other temporary building, improvement or structure shall be placed upon any

portion of the Property, except temporarily as may be required by construction activity undertaken on the Property.

4.12 Drainage. Drainage shall be controlled and enforced by city and/or county ordinances.

4.12.1 ACHD Storm Water and Drainage Easement. Ada County Highway District ("ACHD") has a perpetual blanket storm water retention and drainage easement over portions of this subdivision identified on the plat as Storm Water Drainage Facilities. Together these easements are for access, to retain water, and to construct, install, maintain and replace the storm water and drainage system and all facilities relating thereto. The storm drain system also includes the street gutters, drop inlets, storm drain pipes and all related facilities. The primary purpose of this storm drainage easement area is for the storage and drainage of storm water.

4.12.2 "Heavy" Maintenance of Drainage/Retention Area. Heavy maintenance consists of periodically inspecting the retention and drainage facility to ensure it is functioning properly, cleaning out the facility piping and mucking out the facility when the sediment level exceeds the designed storage level. All other maintenance shall be referred to herein as "light" maintenance. ACHD has opted to perform this "heavy" maintenance and shall be allowed to perform this maintenance work. In the event the ACHD shall decide not to do such "heavy" maintenance, then the Master Association shall do so.

4.12.3 "Light" Maintenance. The Master Association shall provide all "light" maintenance of the drainage/retention and easement areas as set out in the Operation and Maintenance Manual for Pinewood Lakes Subdivision. This Manual is on file with ACHD.

4.12.4 Master Association Failure to Maintain. ACHD Remedies. In the event that ACHD determines, in its sole discretion, that the Master Association is not adequately performing its maintenance responsibilities set out in the Manual above, then ACHD shall, before undertaking maintenance of said area, provide written notice of its intention to begin maintenance after a thirty (30) day period. Within that thirty (30) days the Master Association may undertake to initiate and conclude all maintenance defects as identified by ACHD. In the event that the Master Association shall fail to commence and conclude maintenance to the extent said items of specific maintenance are identified by ACHD within the prescribed thirty (30) days, then in that event, ACHD may begin to undertake such maintenance. ACHD is hereby granted an irrevocable license to enter upon any portion of the common area to perform such inspection and maintenance of the Common Areas identified herein.

Should ACHD engage in maintenance of the common area or facility after having provided notice to the Master Association and having provided the Master Association an opportunity to undertake said maintenance, the Master Association shall pay all of the costs of the maintenance. ACHD shall first bill the Master Association and if such bill shall not be paid within sixty (60) days, then ACHD shall be entitled and empowered to file a taxable lien against all Lots within this subdivision with power of sale as to each and every Lot in order to secure payment of any and all assessments levied against all Lots pursuant to the CC&R's as if said maintenance had been performed by the Master Association, together with interest at the rate which accrues on judgments thereon and all costs of collection which may be paid or incurred by ACHD.

The Master Association shall not be dissolved or relieved of its responsibility to maintain the defined Common Area and facilities contained therein without the prior written approval from ACHD.

The Master Association and all Owners of Lots by accepting title to a Lot agree that all Owners within Pinewood Lakes Subdivision are benefited property owners of such maintenance.

4.13 Water Supply Systems. No Separate or individual water supply system, regardless of the proposed use of the water to be delivered by such system, shall 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 Design and Modification Committee, as applicable, and Star Sewer and Water District.

4.14 Water Rights Appurtenant to Subdivision Lands. Master Association owns certain water rights which are appurtenant to the Property and which may be utilized in connection with the Irrigation System, defined below, that will supply non-potable irrigation water to the Property, as provided further herein. Master Association hereby reserves unto itself any and all water and water rights, ditch and ditch rights, and storage and storage rights appurtenant to the Property, and accordingly, Owner of any Lot(s) shall have no right, title or interest in any of such water and water rights, ditch and ditch rights, and storage and storage rights.

Each Owner, by accepting and recording a deed to a Lot or by occupying any Lot, acknowledges and agrees that: the Property is in the Middleton Irrigation Association, Inc., and the Middleton Mill Ditch Company District (hereinafter "District"); the water in District has not been transferred from this Property; each Owner of any Lot is subject to all assessments levied by District, or other water supplier and/or the Master Association; each Lot Owner shall be responsible for

any levies attributable to such Lot by the District, or other water supplier and/or the Master Association; and water assessments are a lien upon each Lot. Each Owner or Occupant of any Lot specifically releases and waives any and all claims of any kind against Master Association, its agents, employees, officers, members and directors relating to irrigation water, or the lack of it, or the quantity or quality of it, in Pinewood Lakes.

4.15 Boise River, Flood Insurance. Pinewood Lakes is located on the Boise River. Pinewood Lakes has been, designed to accommodate 50% of the total no net loss of Boise River flood water storage. To accomplish such flood water storage, Pinewood Lakes has been, designed with flood water impoundment lakes, which lakes are more particularly described in that certain Declaration of Flood Water Storage, attached hereto as Exhibit C and made a part hereof. Nonetheless, the Boise River can flood or cause high water and it is recommended that each Owner secure flood insurance to protect the Owner and the Owner's dwelling, contents of the dwelling and other property. Master Association shall have no liability to any Owner for any damage, loss or injury that may be related to or caused by any high water or flooding of the Boise River. Each Owner, occupant, or tenant by accepting a deed to a Lot, or by occupying a Lot, waives any and all claims or actions against Master Association, and Master Association's officers, directors, members, employees or shareholders for any damages, injuries or losses incurred in any high water or flooding.

4.16 Signs. No signs of any kind shall be displayed on or from any portion of the Property except those signs approved by the Design and Modification Committee.

4.17 No Further Subdivision. No Lot may be further subdivided.

4.18 Leasing and Renting. The Owner of a Lot shall have the right to lease such Lot and residential structure thereon, subject to the following conditions: (1) all leases shall be in writing; (2) such lease shall be specifically subject to this Declaration, and any failure of a tenant to comply with the this Declaration shall be a default under the lease; (3) the Owner shall be liable for any violation of the this Declaration committed by the tenant of such Owner, without prejudice to the Owner's right to collect any sums from such tenant paid by the Owner on behalf of the tenant; (4) the Owner shall maintain commercially reasonable amounts of personal liability and property damage insurance on such Owner's Lot and such insurance shall name the Association as an additional insured; (5) Owner shall provide the Association a copy of the insurance policies as documentation that the Association is a named additional insured; and (6) the Owner who leases such Owner's Lot shall be deemed to consent to the Master Association commencing and maintaining any actions and suits to restrain and

enjoin any breach or threatened breach of this Declaration or the Articles or the Bylaws, including the Association Rules adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof in connection with such Owner's tenant and/or such Owner's Lot.

4.19 Master Association's Right of Construction. Nothing contained herein shall limit the right of Master Association to grant licenses, to reserve rights-of-ways and easements for utility companies, public agencies or others, or to complete excavation, grading and construction of Improvements to and on, under or about any portion of the Property owned by Master Association and/or the Local Association. The rights of Master Association in connection with the Declaration may be assigned by Master Association to any successor in interest in connection with Master Association's interest in any portion of the Property, by an express written assignment recorded in the Ada County Recorder's Office.

4.20 Compliance with Laws. Subject to the rights of reasonable contest, each Owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances and other governmental or quasi-governmental regulations with respect to all or any portion of the Property.

ARTICLE V: PINWOOD LAKES COMMUNITY ASSOCIATION

5.1 Organization of Pinewood Lakes Community Association. Pinewood Lakes Community Association, Inc. ("Master Association") is an Idaho nonprofit corporation under the provisions of the Idaho Code relating to nonprofit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.2 Membership. Each Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Master Association, and no Owner shall have more than one membership in the Master Association. Membership in the Master Association shall be appurtenant to the Phase, Lot or other portion of the Property owned by such Owner. The membership in the Master Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Master Association.

5.3 Voting. Voting in the Master Association shall be carried out by Members who shall cast the votes attributable to the Lots which they own. The number of votes any Member may cast on any issue is determined by the number of Lots which the Member owns. When more than one person holds an interest in any

Lot, all such persons shall be Members but shall share the votes attributable to the Lot.

5.3.1 Voting Members. Lot Owners shall be entitled to cast one (1) vote for each Lot owned on the day of the vote.

Fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with authority and consent of all joint Owners of the Lot(s) from which the vote derived. The right to vote may not be severed or separated from the ownership of the Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign such Owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Lot concerned, for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer or conveyance of such Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the Owner, subject to any assignment of the right to vote to a lessee, mortgagee, or beneficiary as provided herein.

5.4 Board of Directors and Officers. The affairs of the Master Association shall be conducted and managed by a Board of Directors ("Board") and such officers as the Board may elect or appoint, in accordance with the Articles and Bylaws, as the same may be amended from time to time. The Board of the Master Association shall be elected in accordance with the provisions set forth in the Master Association Bylaws. -

5.5 Powers and Duties of the Master Association.

5.5.1 Powers. The Master Association shall have all the powers of a corporation organized under the nonprofit corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. The Master Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Master Association under Idaho law and under this Declaration, and the Articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Master Association's other assets, including water rights and the performance of the other responsibilities herein assigned, including without limitation:

5.5.1.1 Assessments. The power to levy Assessments on any Owner or any portion of the Property, pursuant to the restrictions provided in this Declaration, and to force payment of such Assessments, all in accordance with the provisions of this

Declaration. This power shall include the right of the Master Association to levy Assessments on any Owner or any portion of the Property to cover the operation and maintenance costs of Common Area.

5.5.1.2 Right of Enforcement. The Master Association shall be the primary entity responsible for enforcement of this Declaration. The power and authority from time to time in its own name, on its own behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or the Articles or the Bylaws, including the Master Association Rules adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof. The Master Association, after reasonable notice to the offender and/or to the Owner, may remove any Improvement constructed, reconstructed, refinished, removed, added, altered or maintained in violation of this Declaration and/or the Design Guidelines, and the Owner of the Improvements shall immediately reimburse the Master Association for all expenses incurred with such removal. Each violation of this Declaration and the Design Guidelines is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against an Owner shall be applicable

5.5.1.3 Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any person, firm or corporation to act as manager, and to contract for the maintenance, repair, replacement and operation of any Common Area. Neither the Master Association nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated. All contracts for management of any Common Area shall be terminable on thirty (30) days' notice with or without cause, and shall be subject to review by the Board

5.5.1.4 Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Master Association deems reasonable. The Master Association may govern the use of the Common Areas, including but not limited to the use of private streets and the Waterways, except those managed by a Local Association, by the Owners, their families, invitees, licensees, lessees or contract purchasers; provided, however, that any Master Association Rules shall apply equally to all Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Master Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Master Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of any conflict between such Master Association Rules and any other provisions of this Declaration, or the Articles or Bylaws, the provisions of the Master Association

Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such inconsistency.

5.5.1.5 Emergency Powers. The power, exercised by the Master Association or by any person authorized by it, to enter upon any property (but not inside any building constructed thereon) in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which the Master Association is responsible. Such entry shall be made with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Master Association.

5.5.1.6 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 construction of Improvements, maintenance, preservation and enjoyment of the same, and for the preservation of the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

(a) 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 provisions of lighting and services.

(b) Public or private sewers, septic systems, 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.

(c) Mailboxes and sidewalk abutments around Such mailboxes or any service facility, berm, fencing and landscaping abutting Common Area, public and private streets or land conveyed for any public or quasi-public purpose including, but not limited to, pedestrian and bicycle pathways.

The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Master Association.

5.5.2 Duties. In addition to duties necessary and proper to carry out the power delegated to the Master Association by this Declaration, and the Articles and Bylaws, without limiting the generality thereof, the Master Association or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the Master Association and to perform, without limitation, each of the following duties:

5.5.2.1 Operation and Maintenance of Pinewood Lakes Common Area.

Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Pinewood Lakes Common Area (other than Local Common Area), including the repair and replacement of property damaged or destroyed by casualty loss and including any signs placed at the entrances to, or otherwise in the vicinity of, the Property. All Waterways, drainage ponds, pipes and related facilities shall be maintained in accordance with sound hydrological principles and irrigation company rules, where applicable. Specifically, the Master Association shall, operate and maintain all properties owned by the Master Association which are designated for temporary or permanent use by Members of the Master Association. Such properties may include those lands located near the Boise River and other lands intended for open space uses.

5.5.2.2 Reserve Account. Establish and fund a reserve account with a reputable banking institution or savings and loan association or title insurance company authorized to do business in the State of Idaho, which reserve account shall be dedicated to the costs of repair, replacement, maintenance and improvement of the Common Area.

5.5.2.3 Maintenance of Berms, Retaining Walls and Fences. Maintain any berms, retaining walls, fences and water amenities, including any Waterway within and abutting any Common Area. Maintain the water amenities located in that certain easement in, over and through Lots as shown on the Plat.

5.5.2.4 Maintenance of the Irrigation System. The Master Association shall operate and maintain the Irrigation System defined below. Notwithstanding any other provision of this Declaration, the Master Association shall have the right to transfer, sell or convey the Irrigation System to a public or private entity, conditioned only upon reasonable assurances that the Irrigation System will be owned, operated and maintained in a manner that will provide service from the Irrigation System to Owners on a continuing basis with quality of service equal to the Community-Wide Standard, and service that meets all applicable governmental laws, ordinances and regulations.

5.5.2.5 Taxes and Assessments. Pay all real and personal property taxes and Assessments separately levied against the Pinewood Lakes Common Area or against other portions of Pinewood Lakes, the Master Association and/or any other property owned by the Master Association. Such taxes and Assessments may be contested or compromised by the Master Association, provided, however, that such taxes and Assessments are paid, or a bond insuring payment is posted prior to the sale or disposition of any property to satisfy the payment of such taxes and Assessments. In addition, the Master Association shall pay all other federal, state or local taxes, including income or corporate taxes levied

against the Master Association, in the event that the Master Association is denied the status of a tax-exempt corporation.

5.5.2.6 Tax Returns. Timely file any and all tax return(s) with the appropriate government entity.

5.5.2.7. Water and Other Utilities. Acquire, provide and/or pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Pinewood Lakes Common Area, and to own and/or manage for the benefit of Pinewood Lakes all water and water rights, ditch and ditch rights, and storage and storage rights, and rights to receive water held by the Master Association, whether such rights are evidenced by license, permit, claim, stock ownership or otherwise.

5.5.2.8 Insurance. Obtain insurance from reputable insurance companies authorized to do business in the State of Idaho, and maintain in effect any insurance policy the Board deems necessary or advisable, and to the extent possible to obtain, including, without limitation the following policies of insurance:

(a) Fire insurance including those risks embraced by coverage of the type known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement value of all Improvements, equipment and fixtures located within the Pinewood Lakes Common Area.

(b) Comprehensive public liability insurance insuring the Board, the Master Association, and the individual grantees and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Pinewood Lakes Common Area. Limits of liability of such coverage shall be as follows: Not less than One Million Dollars (\$1,000,000) per person and One Million Dollars (\$1,000,000) per occurrence with respect to personal injury or death, and One Million Dollars (\$1,000,000) per occurrence with respect to property damage.

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

(d) Such other insurance, including motor vehicle insurance and worker's compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Master Association functions or to insure the Master Association against any loss from malfeasance or dishonesty of any employee or other person

charged with the management or possession of any Master Association funds or other property.

5.5.2.8.1 The Master Association shall be deemed trustee of the interests of all Owners in connection with any insurance proceeds paid to the Master Association under such policies and shall have full power to receive such Owner's interests in such proceeds and to deal therewith.

5.5.2.8.2 Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Master Association.

5.5.2.9 Rule Making. Make, establish, promulgate, amend and repeal such Association Rules as the Board shall deem advisable which are consistent with this "Declaration" and are equally enforced to all Lot owners. Local Associations may make, establish, promulgate, amend and repeal their own rules, as long as they do not violate this declaration.

5.5.2.10 Newsletter. If it so elects, prepare and distribute a newsletter on matters of general interest to Association Members, the cost of which shall be included in Regular Assessments.

5.5.2.11 Design and Modification Committee. The Master Association may appoint and remove members of the Design and Modification Committee as conveyed in Article XI, as applicable, subject to the provisions of this Declaration.

5.5.2.12 Review Committee. The Master Association may appoint and remove members of the Review Committee as conveyed in Article XI, as applicable, subject to the provisions of this Declaration.

5.5.2.13 Landscape Committee. The Master Association may appoint and remove members of the Landscape Committee as conveyed in Article XI, as applicable, subject to the provisions of this Declaration.

5.5.2.14 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of the Declaration, or of the Articles or Bylaws, including, without limitation, the recordation of any claim of lien with the Ada County Recorder's Office, as more fully provided herein.

5.6 Personal Liability. No Member of the Board, or member of any committee of the Master Association, or any officer of the Master Association, or the manager, if any, shall be personally liable to any Owner, or to any other party, including

the Master Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Master Association, the Board, the manager, if any, or any other representative or employee of the Master Association, or the Design and Modification Committee, Review Committee, Landscape or any other committee, or any officer of the Master Association, provided that such Person, upon the basis of such information as may be possessed by such Person, has acted in good faith without willful or intentional negligence and/or misconduct and is consistent with this Declaration. The Master Association, however, shall not be obligated to defend, indemnify and hold harmless any member of the Committee, as applicable, to the extent any such member of the Committee, as applicable, shall be adjudged to be liable for willful misconduct or bad faith in the performance of such member's duty as a member of the Committee.

5.7 Budgets and Financial Statements. Financial statements for the Association shall be prepared regularly and, upon request, copies shall be distributed to each Member of the Association as follows:

(a) A pro forma operating statement or budget, for each fiscal year shall be available for distribution not less than sixty (60) days before the beginning of each fiscal year. The operating statement shall include a schedule of Assessments received and receivable, identified by the Lot number and the name of the person or entity assigned.

(b) Within ninety (90) days after the close of each fiscal year, the Master Association shall cause to be prepared and available to each Owner, a balance sheet as of the last day of the Master Association's fiscal year and annual operating statements reflecting the income and expenditures of the Master Association for its last fiscal year. Copies of the balance sheet and operating statement shall be available for distribution to each Member within ninety (90) days after the end of each fiscal year.

5.8 Manager. The Master Association may employ or contract for the services of a professional manager or management company, and each such contract shall be subject to cancellation by the Master Association up to thirty (30) days' notice, with or without cause, and without payment of a termination fee. The professional manager so employed or contracted with shall not have the authority to make expenditures chargeable against the Master Association except upon specific prior written approval and direction by the Board. The Board shall not be liable for any omission or improper exercise by such a professional manager of any such duty, power or function so delegated by or on behalf of the Board.

5.9 Meetings of Master Association. Each year the Master Association shall hold at least one meeting of the Members, according to the schedule for such meetings established by the Bylaws. Special meetings may be called as provided for in the Bylaws of the Master Association. Only Members shall be entitled to attend Master Association meetings, and all other persons may be excluded. Notice of all Master Association meetings, regular or special, shall be given as provided in the Bylaws. Lot owners shall be notified of Board meetings of Master Association on the Pinewood Lakes Web Page or relevant social media, at least 10 days prior to all meetings. All meetings shall be held within the Property or as close thereto as practicable at a reasonable place selected by the Board. All Members of the Master Association are encouraged to attend all annual, special, and board meetings.

5.10 Security. The Master Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than otherwise might be. The Master Association shall not in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges that the Master Association and the Board are not insurers, and that each person using the Property assumes all risks for loss or damage to persons, property, Lots, to Pinewood Lakes Common Area, and to the contents of Lots resulting from acts of third parties.

5.11 Private Road. Lot 9, Block 13, as depicted on the Subdivision No. 1 Plat, is a private road owned, operated and maintained by the Association as provided further in the Declaration. The Association shall have the right to transfer such private road to an appropriate public highway district conditioned only upon reasonable assurances by such public highway district that such road will be owned, operated and maintained in a manner that will; provide access to and from such road to Owners of the Property on a continuing basis; provide a quality of operation and maintenance comparable to the Community-Wide Standard; and meet all applicable governmental laws, ordinances and regulations.

ARTICLE VI: LOCAL ASSOCIATIONS

6.1 Creation by Master Association. Master Association shall create any Local Association as a profit or non-profit corporation under the provisions of the Idaho Code relating to corporations.

6.2 Management, Powers and Duties. Each Local Association shall be managed in the same manner specified in the applicable Supplemental Declaration or other instrument and/or in the Articles and Bylaws of the Local Association, shall have the same powers, rights, obligations and duties and be subject to the same limitations and restrictions including levying Assessments, adopting rules and regulations, granting easements and licenses, managing property and water rights, paying expenses, taxes, Assessments, utility charges, insurance premiums and preparing budgets and financial statements as are provided for herein for the Master Association, except as modified herein or by a Supplemental Declaration. The Board members, officers, and managers shall be free of personal liability as to the Local Association in the same manner as described herein with respect to the Master Association.

6.3 Members of Local Associations. Where a Local Association is created, the Members thereof shall be all the Owners of Lots in the respective Phases designated as governed by a Local Association in the applicable Supplemental Declaration. Memberships may be transferred only as specified in Section 5.2 for the Master Association.

6.4 Voting in Local Associations. The number of votes each Member may cast in a single vote will be determined according to the number of Lots existing on that portion of the Property governed by a Local Association the Member owns, in the same manner and amounts as votes are allocated to Members in Section 5.3 hereof. When more than one person holds an interest in any Lot, all such persons shall be Members but shall share the vote attributable to the Lot.

6.4.1 Members. Owners shall be entitled to cast one (1) vote for each Lot owned by such Owner on the day of the vote.

6.5 Annual Meetings of Local Association. There shall be an annual meeting of the Members of each Local Association at least seven (7) days but no more than sixty (60) days before every annual meeting of the Master Association. Written notice of the time, place and purpose of each annual meeting shall be delivered to the Members as provided in the Local Association's Bylaws or Articles. Lot owners shall be notified of Board meeting of Local Association on the Pinewood Lakes Web Page or relevant social media at least 7 days prior to all meetings. All meetings shall be held within the Property or as close thereto as practicable at a reasonable place selected by the Board. All Members of the

Local Associations are encouraged to attend all Annual, Special, and Board meetings

6.6 Special Meetings. A special meeting of the Local Association Members may be called at any reasonable time and place by written notice delivered to all other Members not less than ten (10) days nor more than thirty (30) days before the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be conducted. Such notice shall be delivered in the manner specified in the Local Association's Articles or Bylaws.

6.7 Powers and Duties. Each such Local Association shall be managed by a Board of Directors and such officers as the Board may elect or appoint, in accordance with the Articles and Bylaws of such Local Association. The Board shall have the same powers and duties with respect to its Members or the property owned, managed or maintained by it, including levying Assessments, adopting rules and regulations which are consistent with this declaration, granting easements, licenses and rights-of-way, payment of expenses, taxes, Assessments, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements, as are provided in Section 5.5 for the Master Association.

Each such Local Association may certify to the Master Association the amount of such Assessments and charges for collection. The Board, Member, committee, officers and managers shall be free of personal liability as to the Local Association in the same manner as described in Section 5.6 for the Master Association.

6.8 "The Reserve" Local Association. "The Reserve" Local Association, a gated community within Pinewood Lakes, was created on November 2, 2005.

ARTICLE VII: RIGHTS TO COMMON AREAS

7.1 Use of Common Area. Every Owner shall have a right to use each parcel of Pinewood Lakes Common Area, and to the extent permitted by the appropriate Supplemental Declaration or other instrument, shall have a right to use each parcel of Local Common Area owned and/or managed by a Local Association of which such Owner is a Member, which right shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of an Association holding or controlling such Common Area to levy and increase Assessments and Special Assessments for the construction, protection, maintenance, repair, management and operation of Improvements on Common Area.

(b) The right of such Association to suspend the voting rights and rights to use of, or interest in, Common Area by an Owner 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 Association Rules.

(c) The right of such Association to dedicate or transfer all or any part of Common Area to any public agency, authority or utility or other Person for such purposes and subject to such conditions as may be permitted by the Articles and Bylaws and agreed to by the Members as provided further herein.

(d) The right of such Association to prohibit the construction of structures or Improvements on Common Area.

(e) The right of such Association to adopt rules which are consistent with this Declaration regulating the use and enjoyment of Common Area, including rules restricting use of recreational facilities within Common Area to occupants of Lots and their guests and rules limiting the number of guests who may use Common Area.

(f) The right of such Association to permit use of any recreational facilities situated on Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board. Such Association may lease Common Area to a private club composed of such Owners who use the facility, or to a commercial operator, or to a city or county parks department, or to any other appropriate body, on such terms and conditions as may be agreed to by the Association. If an Association so agrees in the lease of such facilities, the lessee shall have the right to permit public use upon payment of use fees, which shall not be less than the fees charged to Owners for such use. There is hereby reserved to all authorized users of any portion of Common Area an easement over the remaining Common Area of the Association for direct ingress and egress to and from such Common Area being leased, subject to Association Rules and regulations.

(g) Common Area cannot be mortgaged or conveyed without the approval of Owners, excluding the Master Association, of at least two-thirds (2/3) of the total voting power in the Association or Local Association, as applicable. If ingress or egress to any Lot is through Common Area, any conveyance or encumbrance of Common Area shall be subject to an easement of Owners of such Lots for the purpose of ingress and egress.

7.2 Designation of Common Area. Association shall designate and reserve Pinewood Lakes Common Area and Local Common Area in the Declaration, Supplemental Declarations and/or recorded Plats, deeds or other instruments and/or as otherwise provided herein.

7.3 Delegation of Right to Use. Any Owner may delegate, in accordance with the respective Bylaws and Association Rules of the Master Association or any Local Association, as the case may be, such Owner's right of enjoyment to the Local Common Area or the Pinewood Lakes Common Area, to the members of such Owner's family in residence or accompanied guest, and such Owner's tenants or contract purchasers who reside on such Owner's Lot. Only the Association shall have the right to delegate the right of enjoyment to the Local Common Area or the Pinewood Lakes Common Area, to the general public, and such delegation to the general public shall be for a fee set by the Board.

7.4 Damages. Each Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, such Owner's resident tenant or contract purchaser, or such Owner's family and guests, both minor and adult. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against the Lot and may be collected as provided herein for the collection of other Assessments.

ARTICLE VIII: ASSESSMENTS AND FINES

8.1 Covenant to Pay Assessments. By acceptance of a deed to any property in Pinewood Lakes, each Owner of such property hereby covenants and agrees to pay when due all Assessments, fines, or charges made by the Master Association and/or a Local Association, including all Regular, Special and Limited Assessments and charges made against such Owner pursuant to the provisions of this Declaration or other applicable instrument.

8.1.1 Assessment Constitutes Lien. Such Assessments, fines, and charges together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment or charge is made.

8.1.2 Assessment is Personal Obligation. Each Such Assessment, together with interest, costs and reasonably attorneys' fees, shall also be the personal obligation of the Owner of such property beginning with the time when the Assessment falls due. No Owner shall be exempt from such obligation by a waiver of the use and enjoyment of Common Area or by lease or abandonment of such Owner's Lot. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or

abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of an Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

8.2 Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments shall be fixed at a uniform rate per Lot for all Members of an Association; provided, however, the basis and rate of Assessments for each type of use may be varied. For example, Lots may be assessed variably based on each type of use including, without limitation, single family residential dwellings, townhomes or patio homes. Provided further, however, Lots in any Phase that has designated Local Common Area may be varied to cover the cost of maintenance of such Local Common Area.

8.3 Date of Commencement of Assessments. The obligation to pay Assessments shall commence as to each Lot on the first day of the month following: (1) the month in which the Lot is made subject to this Declaration; or (2) the month in which a Board first determines a budget and levies Assessments pursuant to this Article, whichever is later. The first annual Regular Assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time Assessments commence on the Lot.

8.4 Exempt Property. The following property shall be exempt from payment of Regular Assessments and Special Assessments:

- (a) all Common Area and Local Common Area,
- (b) any property dedicated to and accepted by any governmental authority or public utility; and
- (c) any property held by a conservation trust or similar nonprofit entity as a conservation easement, except to the extent that any such easement lies within the boundaries of a Lot which is subject to Assessment (in which case the Lot shall not be exempted from Assessment).

8.5 Capitalization of Association. Upon acquisition of record title to a Lot by the first Owner or a builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association and Local Association, as applicable, in an amount equal to one-half of annual Regular Assessment per Lot for that year, or as otherwise negotiated by the Board. This amount shall be in addition to, not in lieu of, the annual Regular Assessment and shall not be considered an advance payment of such Assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association and Local Association, as applicable, for use in covering operating

expenses and other expenses incurred by such Association pursuant to the terms of this Declaration and the Project Documents.

8.6 Regular Assessments. All Owners are obligated to pay Regular Assessments to the treasurer of the Association levying such Regular Assessments on a schedule of payments established by the Board.

8.6.1 Purpose of Regular Assessments. The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by an Association, including legal and attorney's fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, protection, maintenance, repair, management and operation of the Common Area, including all Improvements located on such areas owned and/or managed and maintained by such Association (the "Operating Expenses"), and an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements of the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (the "Repair Expenses"). The Operating Expenses and the Repair Expenses are collectively referred to herein as the "Expenses." Regular Assessments may be levied against specific Lots for costs incurred to maintain certain Local Common Area.

8.6.2 Computation of Regular Assessments. The Association shall compute the amount of its expenses on an annual basis. The Association Board shall compute the amount of Regular Assessments owed by its Members for the first fiscal year within six (6) months following the month in which the closing of the first sale of a Lot occurred in Pinewood Lakes for the purposes of the Master Association's Regular Assessment, and in the applicable Phase for the purposes of a Local Association's Regular Assessment ("Initiation Date"). Thereafter, the computation of Regular Assessments shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of an Association. The computation of the Regular Assessment for the period from the Initiation Date until the beginning of the next fiscal year shall be reduced by an amount which fairly reflects the fact that such period was less than one (1) year. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with other entities for payment of Expenses.

If the proposed budget is disapproved or an Association Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Regular Assessment shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted expenses, including reserves. In determining the

level of Assessments, a Board, in its discretion, may consider other sources of funds available to the Association. In addition, a Board shall take into account the number of Lots subject to Assessment on the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to Assessment during the fiscal year.

8.6.3 Amounts Paid by Owners. An Association Board can require, in its discretion or as provided in the Project Documents, payment of Regular Assessments to the Association in monthly, quarterly, semi-annual or annual installments. Regardless of the installment schedule adopted by an Association Board, such Board may bill for Assessments monthly, quarterly, semiannually or annually, in its sole discretion. The Regular Assessments to be paid by any particular Owner for any given fiscal year shall be computed as follows:

(a) As to the Master Association's Regular Assessment, each Owner shall be assessed and shall pay an amount computed by multiplying the Master Association's total advance estimate of Expenses by the fraction produced by dividing the Lots attributable to the Owner by the total number of Lots in the Property.

(b) As to any Local Association, each Owner who is also a Member of such Association shall be assessed and shall pay an amount computed by multiplying such Association's total advance estimate of Expenses by the fraction produced by dividing the number of Lots in the applicable Phase attributable to such Owner by the total number of Lots in such Phase.

(c) Additional Assessment for Patio Homes. The calculation of Regular Assessments shall include an additional amount for: the cost of landscape maintenance associated with each individual Building Lot that comprises the Patio Homes Property; the cost to maintain the private road (Lot 9, Block 13, as depicted on the Subdivision No. 1 Plat); and one-half of the cost of maintenance of the fence along the easterly boundary of the Patio Homes Property. The Board of the Association shall compute and levy the amount of such additional amount in the same manner as the calculation of the Regular Assessment described in Section 8.6.2 of the Declaration.

8.7 Special Assessments.

8.7.1 Purpose and Procedure. In the event that the Board of an Association shall determine that its respective Regular Assessment for a given calendar year is or will be inadequate to meet the Expenses of such Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs or replacement of capital improvements upon the Common Area,

attorney's fees and/or litigation costs, other professional fees, or for any other reason, the Board thereof shall determine the approximate amount necessary to defray such Expenses and levy a Special Assessment against the portions of the Property within its jurisdiction which shall be computed in the same manner as Regular Assessments. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

8.7.2 Consistent Basis of Assessment. Every Special Assessment levied by and for an Association shall be levied and paid upon the same basis as that prescribed for the levying and payment of Regular Assessments for such Association.

8.8 Limited Assessments and Fines. Notwithstanding the above provisions with respect to Regular and Special Assessments, the Board may levy either or both a Limited Assessment or a Fine against a Member. Limited Assessments and Fines may be enforced by the same procedure applicable to any Assessment.

8.8.1 Limited Assessments. A Limited Assessment is an assessment levied by the Association on one or more Lots, but not upon all Lots for the purpose of securing payment by the Owner thereof of amounts expended by the Association to correct a condition or violation that the Owner has failed to cure after being duly noticed or for the purpose of paying costs and expenses benefiting less than all Owners in the Property. The amount of any such assessment shall be set by the Board in its sole discretion and the assessment may include costs of collection such as attorneys' fees and other administrative costs.

8.8.2 Fines. A Fine is a penalty for the Member's failure to bring either the improvements or the Member's Lot into compliance with the provisions of the Declaration or other rules, regulations and procedures adopted by the Board as part of the governing instruments for Pinewood Lakes Community Association, Inc.

8.8.2.1 Fine Assessment Procedure. The Board shall develop and adopt a Fine Assessment Procedure in compliance with the requirements of I.C. §55-115 as amended from time to time. In addition to compliance with Idaho Codes, this Procedure shall be a system which balances homeowner's due process rights with the Board's responsibility for maintaining the Community Wide Standards.

8.8.2.2 Fine Table. The Board may establish a Fine Table. After the Board approves the Fine Table, it is to be voted on and approved by a majority of those present in person or by proxy at any Annual or Special Meeting of the Association. After approval by a majority vote at an Annual or Special Meeting of the Association, the Fine Table shall have the same authority as this Declaration.

8.8.2.3 Fine Amount. The Board may assess a Fine up to Fifty Dollars (\$50.00) or such other sum as set by the Fine Table, per week, that the noncompliance remains uncorrected.

8.8.2.4 Compliance with Idaho Statute 55-155(2). The imposition of the Fine shall not occur until the notice and meeting requirements of Section 55-155(2) are met, as specified in the Fine Assessment Procedure. Provided, however, if the Member does not show good cause at the meeting for the non-compliance, the Board shall have the discretion to make the fine retroactive to the date on which compliance was to be completed as contained in a Notice of Violation and Imposition of Fine to be developed as part of the Fine Assessment Procedure.

8.9 Assessment Period. Unless otherwise provided in the Project Documents, the Assessment period shall commence on January 1 of each year and terminate December 31 of the year in which the Initiation Date occurs. The first Assessment shall be pro-rated according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments.

8.10 Notice and Assessment Due Date. Thirty (30) days prior written notice of Regular and Special Assessments shall be sent to the Owner of every Lot subject thereto, and to any Person in possession of such Lot. The due dates for installment payments of Regular Assessments and Special Assessments shall be the first day of each month unless some other due date is established by the levying Association's Board. Each monthly installment of the Regular Assessment or Special Assessment shall become delinquent if not paid within ten (10) days after the levy thereof. There may accrue, solely at the Board's discretion, on each delinquent installment payment a late charge equal to ten percent (10%) of the delinquent installment. In addition, there may accrue, solely at the Board's discretion, on each installment payment which is delinquent for more than twenty (20) days, interest at eighteen percent (18%) per annum calculated from the date of delinquency to and including the date full payment is received by an Association. An Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Lot as more fully provided herein. Each Owner is personally liable for Assessments, together with all interest, costs and attorneys' fees, and no Owner may exempt such Owner from such liability by a waiver of the use and enjoyment of the Common Area, or by lease or abandonment of such Owner's Lot.

8.11 Reserve Budget and Capital Contribution. An Association's Board shall annually prepare reserve budgets which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital

contribution in an amount sufficient to permit meeting the projected needs of such Association, as shown on the budget, with respect both to amount and timing by annual Regular Assessments over the budget period.

8.12 Estoppel Certificate. An Association, upon at least twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Lot Owner is in default under the provisions of this Declaration, and further stating the dates to which any Assessments have been paid by the Owner. Any such certificate delivered pursuant to this Section 8.13 may be relied upon by any prospective purchaser or mortgagee of the Owner's Lot. Reliance on such Certificate may not extend to any default as to which the signor shall have had no actual knowledge.

8.13 Special Notice and Quorum Requirements. Notwithstanding anything to the contrary contained in the Project Documents, written notice of any meeting called for the purpose of levying a Special Assessment, or for the purpose of obtaining a membership vote in connection with an increase in the Regular Assessment, shall be sent as prescribed in the Bylaws.

ARTICLE IX: ENFORCEMENT OF ASSESSMENTS; LIENS

9.1 Right to Enforce. The Master Association has the right to collect and enforce Assessments pursuant to the provisions hereof. Each Owner of a Lot, upon becoming an Owner of such Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy obtained against such Owner. The Board or its authorized representative may enforce the obligations of the Owners to pay such Assessments by commencement and maintenance of a suit at law or in equity, or the Board may exercise the power of foreclosure and sale pursuant to Section 9.3 to enforce the liens created hereby. A suit to recover a money judgment for an unpaid Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.

9.2 Assessment Liens.

9.2.1 Creation. There is hereby created a 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 this Declaration together with interest thereon at the maximum rate permitted by law and all costs of collection which may be paid or incurred by the Association making the Assessment in connection therewith, including reasonable attorneys' fees. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Lots upon recordation of a claim of lien with the Ada County Recorder. Such lien shall be prior and superior to all other liens or claims created subsequent to the recordation of the notice of delinquency and claim of lien except for tax liens for real property taxes on any Lot and Assessments on any Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

9.2.2 Claim of Lien. Upon default of any Owner in the payment of any Regular, Special or Limited Assessment issued hereunder, the Association may cause to be recorded in the office of the Ada County Recorder's Office a claim of lien. The claim of lien shall state the amount of such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Lot(s) against which the same have been assessed, and the name of the record Owner thereof. Each delinquency shall constitute a separate basis for a notice and claim of lien, but any number of defaults may be included within a single notice and claim of lien. Upon payment to the Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction of relief of such delinquent sums and charges. The Association may demand and receive the cost of preparing and recording such release before recording the same.

9.3 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court.

9.4 Subordination to Certain Trust Deeds. The lien for the Assessments provided for herein in connection with a given Lot shall not be subordinate to the lien of any deed of trust or mortgage except the lien of a first deed of trust or 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 herein with respect to a first mortgagee who acquires title to a Lot, the sale or transfer of any Lot shall 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 shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent Assessments as provided for in this Declaration.

ARTICLE X: INSPECTION OF ASSOCIATION'S BOOKS AND RECORDS

10.1 Member's Right of Inspection. The membership register, books of account, and minutes of meetings of the Board and committees of the Association shall be made available for inspection and copying by any Member of the Association or by such Member's duly appointed representatives, at any reasonable time and for a purpose reasonably related to such Member's interest as a Member at the office of the Association or at such other place as the Board of such Association shall prescribe. No Member or any other person shall copy the membership register for the purposes of solicitation of or direct mailing to any Member of an Association.

10.2 Rules Regarding Inspection of Books and Records. The Board shall establish reasonable rules with respect to notice to be given to the custodians of the records by the Persons desiring to make the inspection; hours and days of the week when such an inspection may be made; and payment of the reasonable cost of reproducing copies of documents requested pursuant to this Article.

10.3 Board of Directors Right of Inspection. Every Board Member shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association, and the physical properties owned or controlled by the Association. The right of inspection by a Board Member includes the right to make extracts and copies of documents.

ARTICLE XI: DESIGN AND MODIFICATION COMMITTEE AND REVIEW COMMITTEE (COMMITTEES)

11.1 Design and Modification Committee (DMC); Right of Appointment. The Association may establish a Design and Modification Committee all of whom shall be appointed by and shall serve at the discretion of the Board.

11.1.1 Jurisdiction. The Design and Modification Committee shall have exclusive jurisdiction over all modifications/improvements of existing and over any original construction on any portion of the Property or any other real property annexed as provided further in Article XVII. The Design and Modification Committee shall take any action needed to maintain the standards defined in this Declaration, as well as in the Design Guidelines, to maintain a Community-Wide Standard, subject to Board approval. The Design and Modification Committee shall approve all new construction and/or Modification to all Properties and Improvements in Pinewood Lakes.

11.1.2 Design Guidelines. The DMC shall draft the Design Guidelines for the construction and reconstruction of all Improvements on the Property. No Improvements on any portion of the Property shall be constructed, reconstructed, placed or removed from the Property without prior written consent of the Design and Modification Committee. The Design and Modification Committee shall ensure that all Improvements conform and harmonize as to external design, quality and type of construction, architectural character, materials, color, location on the Lot, height, grade and finish ground elevation, natural conditions, landscaping and all aesthetic considerations, including guidelines designed to protect the special qualities and Community-Wide Standard of Pinewood Lakes, and to encourage creative design, by providing general architectural, design and construction guidelines, landscape guidelines, submittal and review procedures. The Design Guidelines were drafted to include "architectural" relevant paragraphs from the original 2003 Declarations and Supplements, as well as to conform to this updated Declaration. In the event of a conflict between the Design Guidelines and this Declaration, this Declaration shall govern. The content of the Design Guidelines may be modified and amended from time to time as provided in the Design Guidelines. Nothing contained in this Article limits any Owner's obligation and duty to ensure that such Owner's Lot improvements are in compliance with this Declaration, any Supplemental Declaration, the Design Guidelines, any other Project Documents or applicable State or local laws

11.1.3 Design Guidelines Approval. Design and Modification Committee shall draft the Design Guidelines for the construction, reconstruction, and modification of all Improvements on the Property. The Design Guidelines are then subject to review, editing, and an adoption vote by the Board. After the Board approves the Design Guidelines, they are to be voted on and approved by a majority vote of those present in person or by proxy at any Annual or Special Meeting of the Association. After approval at an Annual or Special Meeting of the Association, the Design Guidelines have the same authority as this Declaration.

11.1.4 Homeowner Initiated Change. A home owner may request changes to the Design Guidelines by submitting a written description of the changes and an explanation of why the change is requested. If the DMC does not approve the requested changes, the home owner may then submit a request for approval of changes to the Design Guidelines to the Master Association Board. In either case, the Design Guidelines are then subject to review, editing, and an adoption or denial vote by the Board. If the Board approves the amendment to the Design Guidelines, they are to be voted on and approved by a majority vote of those present in person or by proxy at any Annual or Special Meeting of the Association. After approval at an Annual or Special Meeting of the Association, the Design Guidelines have the same authority as the Declaration.

11.2 Review Committee: Right of Appointment. The Master Association Board may establish a Review Committee ("Review Committee"), all of whom shall be appointed by and shall serve at the discretion of the Master Association Board. If the Association cannot find sufficient volunteers to serve on this Committee, the Board shall serve as the Committee.

The Review Committee shall have jurisdiction over all actions involving a Member's failure to bring either the improvements or uses on the Member's Lot into provisions of the Declaration or other rules, regulations and procedures, including approved Design Guidelines adopted by the Board as part of the governing instruments for Pinewood Lakes Community Association, Inc. The Review Committee is a key element in ensuring home owners have a reasonable "check and balance" protection built into the Fine Assessment Procedure. This Committee is an independent review for any questions or disputes related to failure to meet the standards prescribed in the Pinewood Lakes governing instruments.

11.3 Review Committee Actions. As specified in the Fine Assessment Procedures, all Lot Owners have the right to be heard by the Review Committee if they choose to dispute a Notice of Violation. All decisions of the Review Committee regarding fines or other action must be approved by the Board. The Review Committee rulings are binding on the Association and Lot Owner once approved by the Board.

11.4 Non-Liability of Committee Members. Approval by the Design and Modification Committee and actions by the Review Committee shall not imply that Improvements meet any applicable federal, state and/or local laws and ordinances, and does not assure approval of the Improvements by any appropriate governmental or quasi-governmental agency, board or commission. Applicant and/or Owner shall ensure that such Improvements meet any and all applicable federal, state and/or local laws and ordinances. Notwithstanding that the Committee, as applicable, has approved Improvements, plans and specifications, neither the Design and Modification Committee, as applicable, nor any of their members shall be responsible or liable to the Master Association or to any Person or Owner with respect to any loss, liability, claim or expense which may arise by reason of such approval of the Improvements, unless due to the willful misconduct or bad faith of the Committee, as applicable. Neither the Master Association Board, Committee, as applicable, nor any agent thereof nor any of its partners, employees, agents or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Design Guidelines, nor for any structural or other defects in any work done according to such plans and specifications. In any and all events, the Design

and Modification Committee or the Review Committee, as applicable, shall be defended, indemnified and held harmless by the Association in such suit or proceeding which may arise in connection with a Committees, as applicable, decision. The Association, however, shall not be obligated to defend, indemnify and hold harmless any member of the Committees, as applicable, to the extent any such member of the Committees, as applicable, shall be adjudged to be liable for willful misconduct or bad faith in the performance of such member's duty as a member of the Committee, as applicable, unless and only to the extent that a court in which such action or suit may be brought shall determine that, in view of all circumstances of the case, such member is fairly and reasonably entitled to indemnification and defense for such expenses if such court shall deem it proper.

11.5 Variances. The Design and Modification Committee or the Review Committee, as applicable, may authorize variances from compliance with any of the Design Guidelines, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be evidenced in writing and must be signed by a majority of the committee. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration, or the Design Guidelines shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or the Design Guidelines for any purpose except as to the particular Lot and particular provision covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting such Owner's use of the Property, including but limited to zoning ordinances and Lot setback lines or requirements imposed by governmental or municipal authority.

11.6 Enforcement. Any Improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Master Association Board or its' agent, such offending Owner shall, at its own cost and expense, remove such Improvement or restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Master Association Board or its designees shall have the right to enter the Lot, remove the violation, and restore the Lot to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the Lot and collected as a Limited Assessment.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of the Declaration and the

Design Guidelines may be excluded by the Master Association Board from the Property. In such event, neither the Master Association, its officers, or directors shall be held liable to any Person for exercising the rights granted hereunder. In addition to the foregoing, the Master Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of the Declaration and the decisions of the Design and Modification Committee

11.7 Local Design and Modification Committee. The Local Association may, at its option, create a Local Design and Modification Committee for the Property contained in any Phase designated by a Supplemental Declaration. Upon its formation, all proposals, plans and specifications for Improvements within the Phase requiring approval of the Design and Modification Committee described above must be submitted to the Local Design and Modification Committee for approval, rather than being submitted to the Pinewood Lakes Design and Modification Committee. Thus, all proposals, plans and specifications for Improvements require the approval of either the Pinewood Lakes Design and Modification Committee or the Local Design and Modification Committee, if such has been created, but not both such Committees. Each provision of this Article XI shall apply to the Local Design and Modification Committee as if it were the Pinewood Lakes Design and Modification Committee and to the Local Association as if it were the Master Association, except to the extent that such interpretation would be in conflict with the provisions of this Article XI.

ARTICLE XII: EASEMENTS

12.1 Owners. Easements of Enjoyment. Every Owner shall have a nonexclusive easement for the use and enjoyment of Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the easements set forth in this Declaration, as supplemented and amended from time to time.

12.2 Delegation of Use. Any Owner may delegate, in accordance with the Project Documents, such Owner's right of enjoyment in Common Area, to such Owner's tenants, employees, family, guests or invitees.

12.3 Recorded Easements. The Property, and all portions thereof, shall be subject to all easements shown on any recorded Plat affecting the Property, or any portion thereof, and to any other easements of record or of use as of the date of recordation of this Declaration, as supplemented and amended from time to time.

12.4 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Lot and such portion or portions

of the Common Area adjacent thereto or as between adjacent Lots due to the willful placement or settling or shifting of the Improvements including but not limited to structures, walkways, bike paths, sidewalks and driveways constructed, reconstructed or altered thereon in accordance with the terms of this Declaration. Easements of encroachment shall be valid only so long as they exist, and the rights and obligations of Owners shall not be altered in any way because of encroachments, settling or shifting of the Improvements; provided, however, that in no event shall a valid easement for encroachment occur due to the willful or bad faith act(s) of an Owner. In the event a structure on any Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots that existed prior to the encroachment may be reconstructed pursuant to the easement granted by this Section.

12.5 Easements of Access. The Association expressly reserves for the benefit of all the Property reciprocal easements of access, ingress and egress for all Owners to and from their respective Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Lots, and Common Areas, resulting from the normal use of adjoining Lots or Common Areas, and for necessary maintenance and repair of any Improvement including fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees pathways and landscaping. Such easements may be used by the Association, and by all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Lot or Common Area.

12.6 Drainage and Utility Easements. Notwithstanding anything expressly or impliedly contained herein to the contrary, the Property shall be subject to all easements heretofore established for the installation and maintenance of utilities and/or drainage facilities that are required for the development of the Property. In addition, The Association hereby reserves for itself the right to grant additional easements and rights-of-way over the Property and/or a Phase, as appropriate, to utility companies and public agencies as necessary or expedient for the proper development of the Property until close of escrow for the sale of the last Lot in the Property.

12.6.1 Improvement of Drainage and Utility Easement Areas. The Owners of Lots are hereby restricted and enjoined from constructing any Improvements upon any drainage and/or utility easement areas as shown on the Plat(s) or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for its intended purpose; provided, however that any Owner, Association, or designated Person having interest in the landscaping easement described in this Article, shall be entitled to install and maintain

landscaping on such easement areas, subject to approval by the Design and Modification Committee, so long as the same would not interfere with or prevent the easement area from being used for their intended purposes; provided further, that any damage sustained to Improvements on the easement areas as a result of legitimate use of the easement area shall be the sole and exclusive obligation of the Owner of the Lot where Improvements were so damaged, or in the event the easement area where Improvements were so damaged is located in a Common Area or Local Common Area, the Association shall be responsible for the damage sustained and may impose a Special Assessment therefor.

12.7 Rights and Duties Concerning Utility Easements. The rights and duties of the Owners of the Lots within the Property with respect to utilities shall be governed by the following:

(a) Wherever utility house connections are installed within the Property, which connections or any portions thereof lie in or upon Lots owned by an Owner other than the Owner of the Lot served by the connections, the Owner of the Lot served by the connections shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter upon any Lot or to have their agent enter upon any Lot within the Property in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain the connections as and when it may be necessary, and

(b) Whenever utility house connections are installed within the Property, which connections serve more than one Lot, the Owner of each Lot served by the connections shall be entitled to full use and enjoyment of such portions of said connections as service such Owner's Lot.

12.8 Party Structures. Each wall, fence, driveway or similar structure built as a part of the original construction on the Lots which serves and/or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. All Owners who make use of the party structure shall share the cost of reasonable repair and maintenance of such structure equally. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners subsequently use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions. The right of

an Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

12.9 Driveway Easements. Whenever a party structure that is a driveway is installed within the Property which in whole or in part lies upon a Lot owned by an Owner other than the Owner of the Lot served, or is installed to serve more than one Lot, the Owner of each Building Lot served or to be served by such driveway shall be entitled to full use and enjoyment of such other Lot as required to service such Owner's Lot or to repair, replace or maintain such driveway.

The Owners desiring or using such driveway shall, by virtue of the installation of such driveway, automatically agree to provide Maintenance to such driveway, which Maintenance cost shall be shared equally. The Owners may enter into a maintenance agreement not inconsistent with this Section. "Maintenance" of such driveway shall mean and include, without limitation: construction of a concrete or asphalt or other hard surface material driveway in the location agreed upon by such Owners; (b) maintenance and repair of the surface and subsurface of such driveway, as necessary, to maintain such driveway in a relatively level and evenly covered condition at the same grade and elevation as on the date such driveway construction is completed, and (c) removal from such driveway of snow, paper, rubbish and debris.

One or both Owners who have use of such driveway shall have the right, from time to time, to agree with the other Owner to relocate and/or reconfigure all or a portion of such driveway; provided, however, nothing either Owner does in connection with such relocation and/or reconfiguration shall permanently interfere with the free and unimpeded flow of vehicular and pedestrian traffic between the Lot(s) and any public and/or private right-of-way beyond the specific time reasonably required to accomplish any permitted relocation and/or reconfiguration. Such Owners agree to comply in all respects with any and all statutes, laws, ordinances, codes, regulations, rules and restrictive covenants in connection with the use of such driveway.

Each such Owner agrees to indemnify, hold harmless and defend the other Owner for and against liability, costs and expenses, including reasonable attorney's fees, for, without limitation: damages, losses, injuries, or death to persons; or damages, infringements or losses to or of property, whether personal, real or intangible, or violations of any statute, law, ordinance, code, regulation or rule of any entity which may be asserted against the other Owner arising out of or in relation to the use and/or maintenance of such driveway by the other Owner, the other Owner's agents, guests, invitees, successors and assigns. In the event of a breach of any term, covenant, restriction or condition hereunder or under any maintenance agreement, the non-breaching party shall have, in addition to the right to collect damages, the right to enjoin such breach or threatened breach in a court of competent jurisdiction. Whenever a transfer of

ownership of a Lot served by such Driveway occurs, the liability hereunder or under such maintenance agreement of the transferor for breach of covenant occurring thereafter automatically shall terminate and the transferee shall become liable for the covenants and obligations hereunder or under such maintenance agreement from and after such transfer of ownership.

12.10 General Landscape Easement. An easement is hereby reserved to each appropriate Association, its contractors and agents, to enter those portions of Lots, for the purpose of installing, maintaining, replacing and restoring exterior landscaping, and natural vegetation and/or habitat. Such landscaping activity shall include, by way of illustration and not of limitation, the mowing of lawns, irrigation, sprinkling, tree and shrub trimming and pruning, walkway improvement, seasonal planting and such other landscaping activities within the easement of the Property as such Association shall determine to be necessary from time to time.

12.11 Association's Rights Incident to Construction. The Association, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Property 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 on the Property owned by Association, provided, however, that no such rights shall be exercised by The Association in such a way so as to unreasonably interfere with the occupancy, use, enjoyment, or access to an Owner's Lot by that Owner or such Owner's family, tenants, employees, guests, or invitees.

12.12 Easements Deemed Created. All conveyances of Lots made after the date of the recording of the Declaration, as amended and supplemented from time to time, whether by Master Association or otherwise, shall be construed to grant and reserve the easements contained in this Article, even though no specific reference to such easement or to this Article appears in the instrument for such conveyance.

12.13 Waterway Easements. The Association hereby reserves an easement for all Waterways and related pipes, pumps and other equipment over, across, under and through all Lots and Common Areas to the extent reasonably required to maintain any Waterway system that may be installed by The Association on the Property, including, without limitation, the Irrigation System. Any relocation of the water lines installed as a part of such system shall not be undertaken in any way which interrupts the flow of water through the system or damages the system in any other fashion. Association reserves the right to make any reconfiguration of any Waterway which Association determines, in Association's own discretion, to be necessary, expedient or desirable; provided, however, that nothing herein shall reserve unto association the right to take any action which would disturb,

encroach upon or endanger the foundation of any building, nor shall Association take any action which would materially alter any Waterway's proximity to improved property abutting such Waterway.

Provided, further, Waterways located in The Reserve shall be owned, operated, maintained, and insured in conformance with governing documents adopted by the local association and shall not be the obligation or responsibility of the Master Association.

12.14 Reservation for Expansion. The Association hereby reserves to itself and for Owners of Lots and Phases of the Property a perpetual easement and right-of-way for access over, upon, across and through the Property for construction, utilities, drainage, ingress and egress, and for use of Common Area for the expansion of Pinewood Lakes. The location of these easements and rights-of-way must be approved by the Master Association Board and may be documented by The Association by recorded instruments.

12.15 Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or Persons to enter the Property in the proper performances of their duties.

12.16 Maintenance Easement. An easement is hereby reserved to Association, which may be granted to any or all Associations, and any Member of their Board or manager, if any, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Lots and Phases and a right to make such use of the Lots and Phases as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Projects Documents, including the right to enter upon any Lot or Phase for the purpose of performing maintenance to the landscaping or the exterior of Improvements to such Lot or Phase as required by the Project Documents.

12.17 Association's Responsibility. All Associations shall maintain and keep Common Area located within its respective Phase(s) in good repair, such maintenance to be funded as provided herein. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and Improvements situated within such Common Area.

ARTICLE XIII: IRRIGATION WATER

13.1 Irrigation System. Each Lot shall have access to a pressured irrigation water system ("Irrigation System") and irrigation water, when seasonally available, will be supplied through the irrigation System. Payments for water use shall be made

by the Master Association and all operation and maintenance costs of the Irrigation System shall be paid for and through Assessments. Use of and Assessments in connection with the Irrigation System shall be subject to such rules and regulations of the Master Association governing use of and Assessments in connection with the Irrigation System as may be adopted by such Association from time to time. Notwithstanding any other provision of this Declaration The Association shall have the right to transfer, sell or convey the Irrigation System to a public or private entity, conditioned only upon reasonable assurances that the Irrigation System will be owned, operated and maintained in a manner that will provide service from the Irrigation System to Owners on a continuing basis with quality of service equal to the Community-Wide Standard, and service that meets all applicable governmental laws, ordinances and regulations.

13.2 Non-Potable Water. The non-potable Irrigation System contains inherent dangers. Use of the Irrigation System shall be subject to such rules, regulations, laws and ordinances as may be adopted and amended from time to time, of the local jurisdiction, State of Idaho, and federal government, if any, and Master Association, governing the use of the Irrigation System including, without limitation, all requirements of the "Idaho Rules for Public Drinking Water Systems." Each Owner shall clearly mark every non-potable water tap on such Owner's Lot with a warning label or sticker and shall maintain such label or sticker. No Owner, nor any other person claiming right under any Owner, shall cause or allow to be caused, any connection between the Domestic Water System and the Irrigation System. Cross-connections of any type or kind whatsoever between the non-potable Irrigation System and potable water lines are strictly prohibited.

13.3 Owner Responsibilities. Location of Lines. Each individual Lot will have a control valve on the pressurized irrigation system to allow irrigation water onto that individual Lot. Each Lot Owner shall be responsible for his own irrigation system on his own Lot downstream from the control valve (e.g., filters, screens, sprinkler lines and sprinkler heads). Each Owner shall install a sufficient sand screen or similar filter set up to keep sand and other irrigation ditch debris out of the Owner's irrigation system. Each Owner shall clean and maintain their own screens and filter systems. Each Lot Owner shall use all reasonable efforts to conserve and not waste irrigation water. Any Owner damaging the main Irrigation System shall be responsible for all of the costs of that damage.

13.4 Water Unreliable. The area of the country where Pinewood Lakes is located is desert. Irrigation water is not always reliable and such water is not unlimited. Irrigation water may not be available due to, without limitation, drought, harsh weather conditions, government actions, system breakdowns, transmission failures, overuse by Lot Owners or any other causes. Each Owner assumes the

risk of any water shortage, and in the event that there is a water shortage, each Owner must be prepared to use such Owner's domestic water supply, as allowed by Star Sewer and Water.

13.5 Rotation. No Lot in this Subdivision shall have any right to, or assurance of, a continuous or unlimited supply of irrigation water from the Irrigation System. Nor is any Lot guaranteed enough water from the Irrigation System to irrigate all of the landscaping on the Lot. Each Lot shall be subject to, and each Lot Owner by accepting a deed to a Lot in Pinewood Lakes agrees to be bound by and to comply with, any rules or regulations which may be established for the use and rotation of irrigation water between the Lots by the Master Association. All Lot Owners and occupants shall follow said water rotation schedules and any rules promulgated relative to the use of irrigation water. Failure to adhere to the rotation schedule or rules may, following notice from the Board, result in suspension of the right to use the irrigation system.

13.6 No Liability. The Master Association (or any members, employees, agents, officers or directors thereof) shall not have any liability of any kind to any Owner, tenant, Association, member of the Association or any others for any losses or damages relating in any respect to the Irrigation System, or irrigation water, or the lack thereof, including but not limited to damages to, or loss of lawns, landscaping, trees, shrubs, gardens or the like caused by the lack of, or shortage of irrigation water. Each Owner accepts the risk of loss or damage due to the unavailability, shortage or lack of irrigation water.

13.7 WARNING! IRRIGATION WATER IS NOT DRINKABLE

Notice is hereby given to each Owner in Pinewood Lakes that the water in the Irrigation System is NOT fit for human consumption. It contains untreated ditch or pond water, which may contain dirt, hazardous wastes or farm chemicals or disease-causing organisms. Drinking of the irrigation water may make a person sick and could result in death or permanent disability.

NEVER DRINK WATER FROM THE PRESSURIZED IRRIGATION SYSTEM

It is the duty of each Owner to:

(a) educate all family members, guests, tenants and invitees that the water from the Irrigation System is not drinkable,

(b) ensure that ALL of the faucets and risers in the Irrigation System are adequately marked, and if not marked to check with the local health department to determine what type of markings are required by that health department or agency,

(c) not remove any existing tags or other warning markers from the irrigation risers;

(d) not install or maintain the installation of any cross connections between the Irrigation System and the drinking water system unless the cross connection has been approved in writing by the Association AND the supplier of the irrigation water AND the supplier of the drinking water AND the cross-connection back flow prevention device meets all relevant governmental and building code requirements.

13.8 No Liability for Quality or Quantity of Water. The Master Association shall not have any liability of any kind to any Owner, Occupant, Association, and/or any others for any losses, damages, or bodily injuries relating in any respect to the quantity of water or the quality of the irrigation water, or the ingestion of, or contact with, the irrigation water. Each Owner, Occupant and Association accepts the risk of using the irrigation water and waives and releases any and all claims relating thereto.

13.9 Star Sewer and Water District. A portion of Pinewood Lakes is located within 300 feet of the Star Sewer and Water District's wastewater treatment plant and/or the Lawrence Kennedy Canal. Each Owner, by virtue of acceptance of a deed to a Lot in Pinewood Lakes, agrees that the Star Sewer and Water District wastewater treatment plant shall continue to be operated, improved, and expanded and shall continue to discharge its treated wastewater effluent into the Lawrence Kennedy Canal as needed to meet present and future population needs as long as all operations, improvements, expansions and effluent discharges meet State of Idaho Department of Environmental Quality regulations, and the Lawrence Kennedy Canal will contain treated effluent meeting such regulations.

ARTICLE XIV: DAMAGE OR DESTRUCTION

14.1 Association as Attorney-in-Fact. Each and every Owner hereby irrevocable constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on Common Area upon damage or destruction as provided in this Article. Acceptance by any grantee of a deed or other instrument of conveyance from any Owner shall constitute appointment of the attorney-in-fact as herein provided. As attorney-in-fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted herein to the Association as attorney-in-fact.

14.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction to any part of Common Area, the appropriate Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that such Association deems reliable and complete of the costs of repair and reconstruction of that part of Common Area so damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

14.3 Repair and Reconstruction. As soon as practical after obtaining estimates, the appropriate Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Improvements. As attorney-in-fact for Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during any period of insurance adjustments and repair and reconstruction.

14.4 Funds for Repair and Reconstruction. The proceeds received by an Association from any hazard insurance shall be used for the purpose of repair and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual costs of such repair and reconstruction, the Association may assess in advance from all Owners a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Further assessments may be made in like manner if the amounts collected prove insufficient to complete such repair and reconstruction.

14.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by an Association and the amounts received from the Special Assessments constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all cost of such repair and reconstruction, such balance shall be distributed to Owners in proportion to the contributions each Owner made as a Special Assessment to the Association under this Article or, if no Special Assessments were made, in equal shares per Lot, first to the holders of the First Mortgage and then to Owners, as their interests appear.

14.6 Decision Not to Rebuild. If Owners representing at least sixty seven percent (67%) of the total allocated votes within the jurisdiction of an Association and sixty seven percent (67%) of the holders of a First Mortgage (based upon one vote for each mortgage owned) of the Lots agree in writing not to repair or reconstruct and no alternative Improvements are authorized, then and in that

event the damaged Common Area shall be restored to its natural state and maintained as an undeveloped portion of Common Area by the appropriate Association in a neat and attractive condition, and any remaining insurance proceeds shall be distributed in equal shares per Lot, first to the holders of the First Mortgage and then Owners, as their interests appear.

14.7 Damage or Destruction Affecting Lots. In the event of damage or destruction to the Improvements located on any of the Lots, the Owner thereof shall promptly repair and restore the damaged Improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within one hundred eighty (180) days from the date of such damage or destruction, or if repair or reconstruction is commenced but then abandoned for a period of more than ninety (90) days, then the applicable Association may impose a fine as provided in Article VIII of this Declaration on the Owner of the Lot until repair and reconstruction is commenced, unless the Owner can prove to the reasonable satisfaction of the Association that such failure is due to circumstances beyond the Owner's control.

ARTICLE XV: CONDEMNATION

15.1 Rights of Owners. Whenever all or any part of Common Area shall be taken or conveyed in lieu of and under threat of condemnation, the appropriate Board acting as attorney-in-fact for all Owners, shall notify each Owner of the taking, but the appropriate Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

15.2 Condemnation, Distribution of Award; Reconstruction. The award made for Such partial or complete taking shall be payable to the appropriate Association as trustee for all Owners to be disbursed as follows: If the taking involves a portion of Common Area on which Improvements have been constructed, then, unless within sixty (60) days after such taking Owners representing at least sixty seven percent (67%) of the Members shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining land including in Common Area to the extent lands are available therefor, in accordance with plans approved by the Board and the Design and Modification Committee. If such Improvements are to be repaired or restored, the provisions in Article XIV regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Lot, first to the holders of any First Mortgage and then to Owners, as their interests appear.

ARTICLE XVI: RESOLUTIONS OF DISPUTES

16.1 Avoiding Costs of Litigation and Limiting Right to Litigate Disputes. All Associations, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") shall encourage the amicable resolution of disputes involving the Property and avoid the emotional and financial costs of litigation if at all possible. Accordingly, all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Property, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the Project Documents, and/or the Association rules (collectively "Claim"), shall be subject to the procedures set forth herein.

16.2 Mandatory Procedures for All Other Claims. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") shall not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of such Claim until it has complied with the following procedures:

16.2.1 Notice. The Claimant Shall notify each Respondent in writing the Claim (the "Notice"), stating plainly and concisely:

- (a) the nature of the Claim, including date, time, location, persons involved, Respondent's role in the Claim and the provisions of this Declaration, the Project Documents, the Association Rules, or other authority out of which the Claim arises,
- (b) the basis of the Claim (i.e., the provision of the Declaration, the Project Documents, Association Rules triggered by the Claim),
- (c) what Claimant wants Respondent to do or not do to resolve the Claim and,
- (d) that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

16.2.2 Negotiation. Each Claimant and Respondent (the "Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. Upon receipt of a written request

from any Party, accompanied by a copy of the Notice, the appropriate Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion the Association believes the Association's efforts will be beneficial to the Parties and to the Welfare of Pinewood Lakes.

16.2.3 Mediation. If the Parties do not resolve through negotiation within thirty (30) days, (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation under the auspices of Idaho law. If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

16.3 Allocation of Costs of Resolving Claims. Each Party shall bear all of its own costs incurred prior to and during the proceedings described herein, including the fees of its attorney or other representative. Each Party shall share equally all charges rendered by mediator(s).

16.4 Enforcement of Resolution. If the Parties fail to abide by the terms of such mediation agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 16.2. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorney's fees and court costs.

ARTICLE XVII: ANNEXATION OF PROPERTY

17.1 Annexation. Association hereby reserves the right to annex any abutting, adjoining or contiguous real property, into Pinewood Lakes by recording a Notice of Annexation or Supplemental Declaration particularly describing the real property to be annexed and added to Pinewood Lakes created by this Declaration, pursuant to the provisions of this Article, and no Owner shall object or protest such annexation and/or development of such annexed property.

Upon the recording of a Notice of Annexation or Supplemental Declaration containing the provisions set forth in this Section (which Notice may be contained within a Supplemental Declaration affecting such property), except as may be provided for therein, the covenants, conditions and restrictions contained in this Declaration shall apply to the added land in the same manner

as if it were originally covered by this Declaration and originally constituted a portion of Pinewood Lakes; and thereafter, the rights, privileges, duties and liabilities of the parties to this Declaration with respect to the added land shall be the same as with respect to the original land, and the rights, privileges, duties and liabilities of the Owners and Occupants of Lots within the added land shall be the same as in the case of the original land. Notwithstanding the foregoing, any Supplemental Declaration may provide a special procedure for amendment of any specified provision thereof, e.g., by a specified vote of only the owners of Lots within the area subject thereto. Any provision of a Supplemental Declaration for which no special amendment procedure is provided shall be subject to amendment in the manner provided in this Declaration.

17.2 Procedure for Annexation. Any of the above-described real property may be annexed into Pinewood Lakes by the recordation of a Notice of Annexation executed by Association and containing the following information:

- (a) A reference to this Declaration, which reference shall state the date of recordation hereof and the Recorder's instrument number or the book and page of the official records of Ada County where this Declaration is recorded;
- (b) An exact legal description of the added land;
- (c) A statement that the provisions of this Declaration shall apply to the added land, except as set forth therein; and
- (d) A statement of the use restrictions applicable to the annexed property, which restrictions may be the same or different from those set forth in this Declaration.

ARTICLE XVIII: MISCELLANEOUS

18.1 Term. The Restrictions created hereunder shall be perpetual, subject only to extinguishment by the holders of such Restrictions as provided by law. The Restrictions of this Declaration shall run until December 31, 2025, unless amended as herein provided. After December 31, 2025, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by Members holding at least a majority of the voting power of the Master Association and such written instrument is recorded with the Ada County Recorder's Office. Further provided that the Master Association shall not be dissolved without the prior written approval of the City of Star and Ada

County Highway District, such consent not to be unreasonably withheld provided that a responsible successor organization shall agree to perform those maintenance responsibilities arising from applicable city and county governmental requirements.

18.2 Amendment.

18.2.1 By Grantor. Until the recordation of the first deed to a Building Lot, the provisions of this Declaration may be amended, modified, clarified, supplemented, added to (collectively, "amendment") or terminated by Grantor by recordation of a written instrument setting forth such amendment or termination. Any amendment affecting only a particular Phase may be made by Grantor by an amendment to this Declaration at any time up to the recordation of the first deed to a Building Lot in such Phase.

18.2.2 By Owners. Except as provided in Section 18.1, after the recordation of the first deed to a Building Lot, any amendment to any provision of the Declaration, other than to this Article, shall be by an instrument in writing signed and acknowledged by the president and secretary of the Master Association certifying and attesting that such amendment has been approved by the vote or written consent of Members representing at least two-thirds (2/3) of the total voting power in the Master Association, except where a greater percentage is required by express provision in this Declaration, and such amendment shall be effective upon its recordation with the Ada County Recorder's Office. Any amendment to this Article shall require the vote or written consent of Members representing ninety percent (90%) of the voting power of the Master Association.

18.2.3 Effect of Amendment. Any amendment of this Declaration approved in the manner specified above shall be binding on and effective as to all Owners and their respective Building Lots notwithstanding that such Owners may not have voted for or consented to such amendment. Such amendments may add to and increase the covenants, conditions, restrictions and easements applicable to the Property but shall not prohibit or unreasonably interfere with the allowed uses of such Owner's Building Lot(s) which existed prior to the such amendment.

18.3 Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat or render invalid the rights of the beneficiary under any First Mortgage upon a Building Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such First Mortgage, such Building Lot shall remain subject to this Declaration, as amended.

18.4 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by facsimile or by U.S. Mail. If delivery is made by U.S. Mail, delivery shall be deemed to have been delivered seventy-two (72) hours after the same has been deposited in the United States Mail, first class, postage prepaid, addressed to any Person at the address given by such Person to the Master Association for the purpose of service of such notice, or to the residence of such Person if no address has been given to the Master Association or to the address of such Person as contained in the Ada County tax assessor's rolls. Such address may be changed from time to time by notice in writing to the Master Association.

18.5 Enforcement and Non-Waiver.

18.5.1 Right of Enforcement. Except as otherwise provided herein, any Owner Association, or Grantor shall have the right to enforce any or all of the provisions hereof against any property within the Property and against Owners thereof.

18.5.2 Violations and Nuisances. The failure of any Owner of a Building Lot to comply with any provision hereof, or with any provision of the Project Documents, is hereby declared a nuisance and will give rise to a cause of action in Grantor, the Association or any Owner for recovery of damages or for negative or affirmative injunctive relief or both. However, any other provision to the contrary notwithstanding, only Grantor, the Master Association, the Board, or a duly authorized agent of any of them, may enforce by self-help any of the provisions hereof only if such self-help is preceded by reasonable notice to the Owner.

18.5.3 Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in this Declaration and any or all enforcement procedures in law and equity.

18.5.4 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

18.5.5 Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision.

18.6 Use of Trade Name. Each Owner by acceptance of a deed for such Owner's Building Lot shall be deemed to acknowledge that "Pinewood Lakes" is or may become a service mark, trade name and/or trademark of Pinewood Lakes, LLC, or its licensees, and to covenant that any such Owner shall not use

the term Pinewood Lakes without the prior written permission of Pinewood Lakes, LLC, or its licensees.

18.7 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property. This Declaration shall be construed and governed under the laws of the State of Idaho.

18.7.1 Restrictions Construed Together. All of the provisions hereof Shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the recitals of this Declaration.

18.7.2 Restrictions Severable. Notwithstanding the provisions of the foregoing Section 18.7.1, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

18.7.3 Singular includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each including the masculine, feminine and neuter.

18.7.4 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

18.8 Successors and Assigns. All references herein to Grantor, Owners, Members, any Association or Person shall be construed to include all successors, assigns, partners, and authorized agents of such Grantor, Owners, Members, Association, or Person.

18.9 Owners' Further Acknowledgments. By accepting a deed to any Building Lot(s) contained within the Property, each Owner acknowledges and agrees to the following:

- (a) that Owner has read and understands the Project Documents;
- (b) that certain portions of Pinewood Lakes may be utilized by the general public, including, without limitation, any paths established along irrigation ditches and specified as part of City of Star and/or Ada

County future trail system;

- (c) that in order to receive approval to develop Pinewood Lakes, Grantor was required to obtain conditional use approval from Ada County and/or the City of Star, that through this process certain conditions of approval attached to the Pinewood Lakes development, and that Owner understands and will abide by all such conditions. All Owners acknowledge and agree that such Owners will contact Ada County and the City of Star for particulars;
- (d) that Owner understands that the property surrounding Pinewood Lakes may be included in future development plans by Grantor or other entities and acknowledges the right of such property to be developed in compliance with local, county, and State law;
- (e) that Owner recognizes Section 22-4503 of Idaho Code that states: "No agricultural operation or appurtenance to it shall be or become a nuisance, private or public, by any changed conditions in or about the surrounding nonagricultural activities after the same has been in operation for more than one (1) year, when the operation was not a nuisance at the time the operation began; provided, that the provisions of this section shall not apply whenever a nuisance results from the improper or negligent operation of any agricultural operation or appurtenance to it";
- (f) that Owner acknowledges that property in the vicinity of Pinewood Lakes may be developed for other than residential uses;
- (g) that Owner acknowledges that a pump station for the Star Sewer and Water District is located within an easement on the Property;
- (h) that Owner acknowledges the location of the Star Sewer and Water District treatment facility is adjacent to the property,
- (i) that Owner acknowledges the right of the Star Sewer and Water District to discharge effluent into the Lawrence Kennedy Canal; and
- (j) that Owner has accepted title to the Building Lot(s) after conducting all necessary inquiries and due diligence, and that Owner takes such Building Lot(s) "as is," without any express or implied warranty from Grantor.

IN WITNESS WHEREOF, the undersigned have duly executed this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes effective this ____ day of _____, 2019.

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes was duly approved by the vote or written consent of members representing at least two-thirds (2/3) of the total voting power of the Master Association.

Agreed to and accepted by:

PINEWOOD LAKES COMMUNITY ASSOCIATION, INC.
an Idaho nonprofit Corporation

By: _____,
Gerard Cattin, President

By: _____,
Patricia A. Rounds, Secretary/Treasurer