



DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SHADOW RIDGE SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for Shadow Ridge Subdivision (Shadowridge on the official plat) is made by Hillview Development Corporation, an Idaho corporation, (hereinafter "Grantor" or "Declarant") whose address is 150 E. Aikens, Suite A, Eagle, Idaho 83616.

ARTICLE 1: RECITALS

1.1 Property Covered. The property subject to this Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as "Declaration" or "CC&R's") for Shadow Ridge Subdivision is that property in the City of Eagle, Ada County, State of Idaho, which is described on Exhibit A attached hereto, together with any property included as Common Area and identified in this Declaration or owned by the Association. The "Common Area" Lots and other "Common Areas" for this Subdivision are generally set out in Article 6 below.

1.2 Purpose of Declaration. Shadow Ridge Subdivision is a residential development, which Grantor intends to develop in accordance with governmental approvals. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes that will apply to the development and use of the Property. This Declaration is designed to preserve the Property's value, desirability and attractiveness, and to guarantee adequate maintenance of the Common Area,

and any Improvements located thereon.

ARTICLE 2: GENERAL DECLARATIONS

2.1 Grantor Declaration. Grantor declares that all the Property described on Exhibit A shall be held, sold, transferred, encumbered, leased, used, occupied and improved subject to these CC&R's. Each Owner by accepting a deed to any of the property, and each occupant or tenant, by occupying or renting any part of the premises specifically agrees: A) That these CC&R's are for the protection, maintenance, improvement and enhancement of all of the Property and all Owners, occupants and tenants, and B) To be bound by these CC&R's and the covenants and restrictions contained herein.

2.2 Runs With The Land. These CC&R's shall run with the land described on Exhibit A and shall be binding upon all persons with any right, title or interest in the land. They are for the benefit of all the property and bind all successors.

2.3 Enforcement. These CC&R's may be enforced by Grantor, any Lot Owner or by the Association.

2.4 Grantor's Rights; Model Homes and Sales Office. Notwithstanding the foregoing or any provision contained herein, no provision of this Declaration shall be construed as to prevent or limit Grantor's right to complete development of the Property and to construct improvements thereon. Grantor, Grantor's agents or Grantor's real estate professionals may maintain model homes, construction, sales or marketing offices or trailers or similar facilities on any portion of the Property, including the Common Area or any public right-of-way. Grantor may also post signs incidental to construction, sales or leasing.

2.5 Exemption of Grantor. Nothing contained in these CC&R's shall limit the right of Grantor; to subdivide or re-subdivide any portion of the Property owned by Grantor; to grant easements, licenses, or to reserve rights-of-way with respect to Common Areas; to complete excavation, grading and construction of any portion of the Common Areas, or Property owned by Grantor; to alter construction plans and designs; to construct additional Improvements; to erect, construct and maintain structures and displays as necessary for the conduct of Grantor's business. Prior to transferring title to a Building Lot Grantor shall have the right to grant, establish and/or reserve on that Building Lot additional licenses, reservations and rights-of-way to Grantor,

to utility companies, or to others. Grantor may use any structures owned by Grantor on the Property as model home complexes or real estate sales or leasing offices. The rights of Grantor, including annexation rights, may be assigned by Grantor to any successor in interest by a written assignment recorded in the Office of the County Recorder.

2.6 Prior Plan and Landscaping Approval; Architectural Control Guidelines. No improvement of any kind, or any landscaping shall be placed or permitted to remain upon any part of a Lot unless a written request for approval has been approved by the Board of Directors of the Shadow Ridge Neighborhood Association (the Architectural Control Committee), or a person designated by the Board to approve same. The approval of the Board will not be unreasonably withheld if the plans and specifications comply with: a) these CC&R's; b) the Architectural Control Guidelines published by, and on file with, the Board; c) all government ordinances; and d) are in harmony with the existing structures, landscaping and improvements located in this Subdivision.

2.6.1 No Liability. Neither Grantor, the Association or the Board (or their agents, officers, members, directors or shareholders) shall have any liability of any kind for any approvals or for any lack of approvals of any Improvements in this Subdivision.

2.7 Architectural Control Guidelines. The Architectural Control Guidelines provide additional covenants, conditions and restrictions for all buildings, improvements, colors, landscaping, and other matters of interest for this Subdivision. These Architectural Control Guidelines are incorporated herein as if set out in full. Such Guidelines may be modified from time to time as the Declarant determines is in the interests of the general harmony and aesthetics for the entire Subdivision; Providing, however, that any modifications of the Guidelines shall not be applied retroactively to force an existing Improvement to conform to a newly adopted Guideline.

These Architectural Control Guidelines shall be kept on file with the Board of Directors of the Shadow Ridge Neighborhood Association and any interested party may obtain copies thereof upon request.

After the Declarant has sold the last Lot to a party other than Declarant, thereafter the Architectural Guidelines may only be modified by a vote of at least 75% of the members of the Association present for a vote on that matter after notice has been given to all members setting out the changes to be made.

2.8 Application for Approval. To request Board approval for the

construction, alteration, modification, removal or demolition of any Improvements within the Property, the Owner shall submit a written application, signed by the Owner, on a form required by the Board. It must be accompanied by the following material (collectively called "plans and specifications") prepared in accordance with acceptable architectural standards:

2.8.1 Site Plan. A site plan showing the location of the Building(s) and all other structures, setbacks, landscaping, drainage, and all improvements including fences, walls, curb cuts, driveways, parking areas and other pertinent information relating to the improvements.

2.8.2 Building Plan. A building plan (which shall consist of preliminary or final blueprints, and elevation drawings) showing the north, south, east and west sides, and detailed exterior specifications which shall indicate, by sample, if required by the Board, all exterior colors, materials and finishes, including roof, to be used.

2.8.3 Landscape Plan. A landscape plan showing the five foot (5') landscape strip (described below) and all other landscaped portions of the Lot. It shall show the location, type and size of trees, plants, ground cover, shrubs, berms and mounding, grading, drainage, sprinkler systems, fences, freestanding exterior lights, driveways, parking areas and walkways.

2.8.4 Additional Data. The Board may, in its discretion, require the Owner to furnish additional data, specifications, drawings, material samples or such other information as the Board, in its sole discretion reasonably exercised, shall deem necessary or convenient for the purpose of assisting the Board in reviewing and processing the application.

ARTICLE 3: DEFINITIONS

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

3.2 "Shadow Ridge Subdivision" shall mean the Property described in Exhibit A, together with any additional Common Areas described herein or owned by the Association.

3.3 "Assessments" shall mean those payments required of Class A Owners and Association Members (excluding Declarant) and include but are not limited to all Assessments (whether regular, start-up, special or limited), late charges, attorneys' fees, interest, and other charges set out in these CC&R's.

3.4 "Association" shall mean Shadow Ridge Neighborhood Association, Inc., a nonprofit corporation organized under the laws of the State of Idaho, its successors and assigns.

3.5 "Board" shall mean the Board of Directors or other governing board or individual, if applicable, of the Association and includes its authorized agents and representatives.

3.6 "Building Lot" shall mean one or more Lots as specified or shown on any Plat upon which Improvements may be constructed. The term "Building Lot" shall not include any Common Area, any area dedicated to the public, or any Lots deeded to an irrigation entity for an irrigation pump facility.

3.7 "By-laws" shall mean the By-laws of the Association (a copy of which is attached hereto as Exhibit B).

3.8 "Common Area" shall mean all Lots or other Common Areas of Shadow Ridge Subdivision that are designated herein or on the Plat as private streets or drives, common open space, common areas, common drainage easement areas, and common landscaped areas. All Common Area Lots are set out in Article 6 below and these Common Area Lots shall be owned, managed and maintained by the Shadow Ridge Neighborhood Association and shall be deeded by Grantor to the Association.

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

3.10 "Grantor" shall mean Hillview Development Corporation, and any successor in interest, or any person or entity to whom the rights under this Declaration are expressly transferred by Grantor or its successor. Grantor may also be referred to as the "Declarant".

3.11 "Improvement" shall mean any improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences,

driveways, landscaping, signs, lights, mail boxes, recreational facilities, and fixtures of any kind.

3.12 "Limited Assessment" shall mean a charge against a particular Owner and such Owner's Building Lot, directly attributable to the Owner, equal to the cost (plus a management fee equal to 10% of the cost) incurred by the Grantor or the Association for corrective action performed pursuant to the provisions of this Declaration.

3.13 "Member" shall mean each person or entity holding a membership in the Association. Members must be either a Class A Lot Owner or Grantor.

3.14 "Owner" shall mean the person or other legal entity, including Grantor, holding fee simple interest of record to a Building Lot which is a part of the Property, but excludes those having an interest merely as security for the performance of an obligation. A "Class A" Owner shall be any Owner of a Building Lot other than Grantor. Lots deeded to irrigation districts for pump stations are not Building Lots.

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

3.16 "Plat" shall mean any subdivision plat covering any portion of the Property as recorded at the office of the County Recorder.

3.17 "Property" shall mean all of the Property described herein including each Lot or portion thereof, including all water rights associated with or appurtenant to such property.

3.18 "Regular Assessment" shall mean the regular assessments assessed against all Class A Owners to defray the cost of maintaining, improving, repairing, managing and operating the Common Areas, common facilities and all common Improvements, and the other costs and expenses of the Association.

3.19 "Start-up Assessment" shall mean that initial fee payable to start-up the Association and related activities. This one time start-up fee is assessed against the buyer of each Lot upon the first purchase of each Lot.

3.20 "Special Assessment" shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments.

3.21 "Transfer Special Assessment" shall mean that transfer fee assessed against each Lot transferred, to be paid to the Association on each transfer of legal title and recording of a deed to a Lot in this subdivision.

ARTICLE 4: SPECIFIC RESTRICTIONS

4.1 Exclusions of Lot 1, Block 2 from CC&R's; Exclusion of Certain

Existing Improvements from CC&R's. Lot 1, Block 2 is excluded entirely from these CC&R's and the Owner of this Lot shall have no votes in the Association.

Lots 4, 7 and 19, Block 4 contain existing residential structures and Improvements. The existing structures, fencing and other Improvements are hereby excluded from these CC&R's and these CC&R's shall not be construed to require any of these to be upgraded or improved in any way to comply with these CC&R's. In the event that any of these structures or Improvements are repainted or resurfaced, such shall be reasonably harmonious in color and tone with the adjoining Lots. In the event that any of these previously existing Improvements are structurally upgraded, or remodeled in a significant manner by the Owners, the remodel or upgrade shall conform to these CC&R's to the extent reasonably practical and the Owners of the upgrade or remodel agree that such remodel or upgrade shall be reasonably harmonious with the surrounding area.

4.2 Government Rules and Ordinances. In the event any of these CC&R's are less restrictive than any governmental rules, regulations or ordinances, then the more restrictive governmental rule, regulation or ordinance shall apply. These CC&R's are subject to all rules, regulations, laws and ordinances of all applicable governmental bodies. In the event a governmental rule, regulation, law or ordinance would render a part of these CC&R's unlawful, then in such event that portion shall be deemed to be amended to comply with the applicable rule, regulation, law or ordinance.

4.3 Use and Size of Dwellings. Lots 4, 5, 9, 10, 11, 12, and 13, Block 3 may be used for the construction of a duplex or a single-family residential structure. Each duplex shall be at least 1,800 square feet. All other Building Lots in Shadow Ridge Subdivision shall be used exclusively for single-family homes. All single-family structures shall be one or two story, and shall be at least 1,500 square feet in size. A two story structure shall have at least 1,000 square feet on the ground floor. In computing the building sizes, the eaves, steps, open porches, garages and patios shall not be included in the computation of square footage. No unit higher than a two (2) story shall be permitted.

4.4 Basements. While basements are allowed, they are discouraged. In order to construct a basement, each builder or Owner must first secure a certification from a licensed engineer that the water table and soil conditions are proper for a basement. Declarant and its agents, officers and shareholders

shall have no liability of any kind for any basements which are constructed. Each builder and Owner builds and owns their basement at their own risk. (Basements may be prohibited in future properties annexed into these CC&R's.)

4.5 Accessory Structures. There shall be no metal or wood storage attachments to any dwelling except as approved by the Board. Storage sheds attached to the residential structure, and patio covers, shall be constructed of, and roofed with, the same materials, and with similar colors and design, as the residential structure on the applicable Building Lot. Only one outbuilding per Lot shall be allowed, and it shall be a) constructed of quality material; b) completed, finished and painted in the same general color as the main house; and, c) approved by the board.

4.6 Setbacks. All required setbacks are set out on Exhibit C attached hereto.

4.7 Garages. All residential homes (and each unit of any duplex) shall have an attached enclosed garage which holds no less than two cars. All garages shall be constructed of the same materials and colors as the main building or as approved by the Board. Garages shall not to be used as living quarters nor to be used primarily as storage. Garages are primarily for the parking of vehicles. In no case shall a garage be used for storage leaving no room therein for the parking of vehicles.

4.8 Exterior; Appearance. Encouraged are covered front porches, bay windows, broken roof lines, gables and hip roofs. No vinyl or metal siding or loud colors shall be allowed. Each home and in this subdivision is required to have either;

- A) Full wainscoting of brick, stone or stucco across the entire front of the structure, (or substantial wainscoting may be approved by the Board if aesthetic and attractive; or
- B) Brick, stone or stucco full column heights on both sides of the garage.

4.9 Driveways. All Building Lots shall have a concrete driveway and a minimum of two concrete car parking spaces within the boundaries of each Lot for each home and each unit of any duplex. No driveway or parking area shall

be of dirt, gravel or asphalt.

4.10 Roofs and Roof Colors. Roofs must be of at least 5 in 12 pitch. No gravel roofs are allowed. Roofing materials shall be 25 year architectural PABCO composition shingles and shall be of a color approved by the Board.

4.11 Exterior Building Colors. Approval of exterior colors must be obtained from the Board, and any future changes to colors or exterior must first be approved by the Board. Colors must be submitted at least two weeks prior to the time of painting.

4.12 Landscaping. Automatic underground sprinkler systems in the front yards is required. Berms and sculptured planting areas are strongly encouraged. Landscaping of the front yard shall be completed within thirty (30) days after substantial completion of the home (weather permitting) and such landscaping shall be the responsibility of each respective Owner of the Lot. The "front yard" shall be defined as that portion of the Building Lot from one side Lot line to the opposite side Lot line lying in front of the front exposure of the structure. For Building Lots on corners, the "front yard" shall also include that portion of the Building Lot from the front of the structure to the rear of the Lot to the side street (i.e., the side yard next to the side street). Additional landscaping requirements are as follows:

- A) Sod shall be installed in the front yard;
- B) The back yard shall be planted, hydro-seeded or sodded within 90 days of occupancy;
- C) At least one tree of 2.0 inch caliper shall be planted in the front yard (caliper = diameter of the tree trunk six inches above the root ball);
- D) Corner Lots shall have at least one additional tree at least 2.0 inch caliper in the front or side yard;
- E) At least ten (10) one gallon bushes and/or shrubs shall be planted in the front yards.
- F) All Lots, including the sidewalks and street frontage, shall be kept clean, and free of weeds and debris prior to and during construction. (In the event that the Owner fails to keep these areas clean and weed and debris free, then the Declarant, or the Association, after 10 business days notice to the Owner, may hire a contractor to remove the weeds or

debris and the Owner shall pay all the costs of that removal plus a management fee equal to 10% of the costs, and these costs may also be assessed as a Limited Assessment as provided herein.)

4.12.1 Landscaping; Five Foot (5') Landscape Strip.

Landscaping shall comply with the Architectural Guidelines. Each Lot shall also have a special five (5) foot landscape strip between the street curb and the sidewalks which shall be landscaped and maintained by each adjacent Lot Owner pursuant to these CC&R's and the Architectural Guidelines.

Landscaping shall include grass sod, shade trees and a pressurized irrigation system. The landscaping shall be uniform and/or compatible with all other five foot strip areas in this Subdivision. Each Lot Owner shall be required to landscape, irrigate, continuously maintain, mow and fertilize all of those portions of the five (5) foot landscape strip which is adjacent to the Owner's Lot.

The sod, trees and pressurized irrigation system in this five foot (5') strip must be installed, operational and have passed an inspection by the City of Eagle **prior to issuance of an occupancy permit.** (This time limit may be waived for a reasonable amount of time if weather prohibits the completion of the installation.)

4.12.2 Five Foot (5') Strip; Special Landscape Design

Standards: The following landscape design standards shall apply to the five-foot (5') landscape strip.

(A) Grass Turf Only. The landscaping strip must be sodded with grass turf only. No flower beds, rock gardens or shrubbery shall be installed within this five-foot (5') strip.

(B) Trees. In the event that Declarant has planted any trees in this five (5) foot landscape strip, then no other trees in this five (5) foot strip are permitted without Board approval. Otherwise, each Owner's landscape strip must contain at least one tree. The trees shall be spaced as approved by the City of Eagle. (Some Lots may have more than one tree per Lot due to tree placement and Lot width.) All trees shall be 3" minimum caliper and shall be of the variety set out in

the City approved landscape plan for the Subdivision. is on file with the City of Eagle. If a tree in the landscape strip dies, it must be replaced by the Lot Owner within 60 days, or as soon thereafter as weather permits.

4.13 Fences. Grantor may construct a perimeter fence around portions of the exterior of this subdivision property. Unless provided otherwise below, after Grantor has transferred title to any Lot which contains a portion of this perimeter fence it shall be the responsibility thereafter of the Owner of that Lot to maintain, repair and/or replace as needed that portion of the perimeter fence on that Owner's Lot. The maintenance, repairs and/or replacement shall be performed so as to keep the perimeter fencing uniform, attractive and harmonious.

4.13.1 Association Maintained Fences. The Association shall maintain all fences constructed adjacent to and contiguous with all Common Area Lots. The Association may, in it's sole discretion, also maintain other fencing as a Common Area expense. The height of the Common Area fences on both sides of the Micro-Path Lots shall comply with Eagle City Landscape Ordinances.

Fence in Ditch Easement Area. The Common area fence along Lot 41, Block 3 adjacent to the south west line of Lots 31 and 32, Block 3 shall be owned, maintained and/or replaced as necessary by the Association. In the event that this fence, or any portion thereof, is damaged or destroyed by the ditch easement maintenance performed by the Farmers Union Canal Company, then any repairs or maintenance shall be the responsibility of the Association and not by Farmers Union. This Association maintenance responsibility is in consideration of Farmers Union's permission allowing a fence to be constructed in the ditch easement area.

4.13.2 Restriction on Fences Adjacent to Common Area Lots. No Lot Owner who has a Lot adjacent to a Common Area Lot shall be allowed to place or maintain any fence adjacent to and contiguous with the Common Area fence.

4.13.3 Other Owner Fences; "Picture Frame" Fences. Other Owner fences are not required. If a fence is desired, plans for it shall be approved by the Board prior to construction. Fences shall be constructed only of good quality cedar wood (either 4" or 2" boards), wrought iron or vinyl and

shall be properly finished and maintained and comply with all governmental ordinances. Fences may be capped with cedar lattice, if desired.

Fences facing the front of any Lot shall be constructed at least 20 feet back from the front Lot line or at a distance in line with the front face of the home, whichever distance is greater.

All fences that face any street (whether front street or side street) shall be constructed in the manner commonly referred to as "picture frame" construction. No dog eared fencing is allowed in any fences facing any street. Dog eared cedar fencing is allowed on any fencing not facing a street.

For corner Lots, the fence on the side Lot line shall be constructed at least ten (10) feet away from the side Lot line or any greater distance if required by City ordinances.

4.14 Construction. All homes in this Subdivision must be constructed on the Lot. Once construction has begun, completion of each building or other improvement shall be diligently pursued and completed within 12 months.

4.15 Antennae. No TV or radio antennae extending above the roof line of the house shall be permitted unless first approved by the Board. Any other antennae or satellite dishes, while permitted, shall be reasonably screened from view of the other Lot Owners and where practical shall be located at the rear of the home.

4.16 Further Subdivision. No Lot designated herein for single-family structures may be split or subdivided without the prior written approval of the Board. Any Lot designated herein for a duplex may be subdivided if approved by the City of Eagle.

4.17 Nuisances. No rubbish, grass clippings or other debris of any kind shall be placed on, dumped on, or allowed to accumulate anywhere on the Property, including Common Areas or vacant Building Lots. No unsanitary, unsightly, or offensive conditions shall be permitted to exist on any part of the Property. Noise or other nuisances in violation of local ordinances are prohibited. No Owner shall permit any noise, party or other activity in the Common Area which unreasonably interfere with the peace and quiet of the other Owners or occupants.

4.18 Exterior Maintenance; Owner's Obligations. All Improvements, especially the exterior appearance of the home, paint, roof, lawn, trees, fencing and landscaping shall be kept in good condition and repair. In the event an

Owner permits an Improvement to fall into disrepair, or to create a dangerous, unsafe, hazardous, unsightly or unattractive condition, then the Board or Grantor, after thirty (30) days prior written notice to the offending Owner, shall have the right to enter upon that Owner's property to correct such condition. Owner shall be obligated to reimburse the Board or Grantor for all of the costs of the corrective action.

4.19 Unsightly Articles. No unsightly articles shall be permitted to remain on any property so as to be visible from any other Owner's property. Trash is to be kept in containers and areas approved by the Board. Clothing or fabrics are not to be hung or aired in such a way as to be visible to other property. No equipment, containers, lumber, firewood, grass, shrub or tree clippings, metals, bulk material, disabled vehicles, or scrap shall be kept, stored or allowed to accumulate on any property except within an enclosed structure or screened from view. Vacant residential structures shall not be used for storage.

4.20 No Temporary Structures. No house trailer, mobile home, tent, shack or other temporary building, improvement or structure shall be placed upon any portion of the Property or on any streets. Temporary construction structures are permitted only during the time of construction.

4.21 No Unscreened Boats, Campers and Other Vehicles; No parking of Commercial Vehicles. No boats, trailers, water craft, campers, all-terrain vehicles, motorcycles, recreational vehicles, motor homes, bicycles, dilapidated or unrepaired and unsightly vehicles or similar equipment shall be placed or stored upon any portion of the Property (including, without limitation, streets, parking areas, front yards, side and rear yards and any driveways) unless enclosed in a garage or a side yard behind the front line of the front of the house, by a concealing structure approved by the Board. Notwithstanding anything contained herein, a boat, camper, trailer or motor home not used for commercial purposes may be parked in a driveway on a private Lot or in the public street in front of the Owners Lot (if permitted by local ordinances) for a temporary time not to exceed three days. Under no circumstances shall any commercial vehicles be allowed to be parked overnight on any of the streets of this subdivision or in any of the driveways unless directly involved in the construction of a home or construction of a part of the subdivision.

4.21.1 Removal of Vehicles; Warning; Costs. The Board or its representatives may remove any vehicles in violation of this section at any time after giving the Owner fifteen (15) days written notice of its intent to do so;

provided, however, that any vehicles parked in any common driveway area or common access point may be removed by the Board on no notice. For any such vehicles removed, the Owner shall reimburse the Board, as a limited assessment, the costs thereof plus a management fee equal to ten percent (10%) of the costs. (See Article 9 below)

4.22 Animals/Pets. No farm animals, animals creating a nuisance, or animals in violation of governmental ordinances shall be kept on any Property. Chronic dog barking shall be considered a nuisance. No more than two domestic cats and no more than two domestic dogs shall be allowed to inhabit any one Lot. All dogs outside the home or outside the Lot fence must be leashed. Pets shall not be allowed in the Common Areas unless leashed. Any kennel or dog run must be screened, placed inside the Lot fences, and approved by the Board.

4.23 Signs. No sign shall be displayed to public view without the approval of the Board except: (1) signs used by Grantor in connection with the development and sale of the Property; (2) signs identifying the development; (3) informational signs by the Board displayed on Common Areas; (4) one sign of less than 12 square feet displayed by an Owner (other than Grantor) on that Owner's property advertising the home for sale or lease; and (5) signs required by the governing authorities. No signs other than Grantor's shall be placed in the Common Area without the written approval of the Board.

4.24 Lot Grading and Drainage Requirements. Each Lot Owner shall grade and maintain their individual Lot to prevent the runoff of irrigation water or storm water onto adjacent Owner's Lots. All Lots are to be graded at the time of building so that the front, side and rear yards drain sufficiently away from the foundation and away from neighboring Lots with a proper slope so that drainage is directed towards the front, sides and rear of the Lot and in accordance with all local building code requirements. In the event a French Drain, or seepage trench is necessary to prevent water from flowing onto an adjoining property, then the Owner shall be responsible for the installation and maintenance of such facilities.

4.25 Business Activity. No residential dwelling in Shadow Ridge Subdivision may be used for any commercial business purposes, manufacturing operations or as a retail business. A "home office" business shall be allowed if permitted under the applicable City ordinances. Any home offices, however, shall be subject to the following restrictions:

- A) No signs of any kind shall be allowed on the premises advertising the business,
- B) No commercial vehicles shall be parked in the street,
- C) No more than two "customers" or "clients" visit the Home Office business at any one time and they park in the driveway and not in the street,
- D) No unsafe or unsightly conditions shall be allowed to exist on the premises.

4.26 Renting/Leasing. No home (or any other part of the property) owned by a Lot Owner in this subdivision shall be rented or leased to third parties except where:

- A) The Tenant has acknowledged, in writing, receipt of a copy of these CC&R's;
- B) The Tenant has executed a written lease or rental agreement wherein the Tenant has affirmatively agreed to be bound by the terms and conditions of these CC&R's, specifically including but not limited to the Lot landscaping and maintenance requirements; and,
- C) The Lot Owner has provided in the lease or rental agreement that the Lot landscaping will be maintained in accordance with the CC&R's.

During any rental or lease term, the Lot Owner shall remain primarily responsible for the condition of the property, as well as for all assessments and all other obligations under these CC&R's. In addition, the Lot Owner shall be responsible for any damages caused by the Lot Owner's Tenants or their guests to any Common Areas or other common facilities owned or maintained by the Association.

In the event that the Lot Owner and the Tenant fail to maintain the landscaping and the exterior appearance of the property then the Declarant or the Association, after 30 days notice to the Lot Owner (with a copy to the Tenant, if known), shall have the right to perform that maintenance as a corrective action and the Lot Owner shall be responsible for all of the costs thereof as a Limited Assessment as provided in these CC&R's.

ARTICLE 5: WATER

5.1 Water. Each party accepting and recording a deed to any property in this Subdivision or occupying any property in this Subdivision acknowledges and understands and agrees to the following:

- A) That this Subdivision is **NOT** in an Irrigation District and there is **no** Irrigation District water or other irrigation water that is available for the watering of the landscaping on the Building Lots.
- B) That there are some ground water rights that are appurtenant to the Subdivision property but that these ground water rights shall only be utilized for the irrigation of the Common Areas of the Subdivision, regardless of where the water rights are actually appurtenant.
- C) That each Owner of any Lot is subject to all water assessments levied by the Association for the irrigation expenses relating to the ground water and the irrigation of the Common Areas.
- D) Each Owner or occupant of any Lot in Shadow Ridge Subdivision specifically releases and waives any and all claims of any kind against Declarant, its agents, employees, officers and directors relating to irrigation water or the quantity of irrigation water.

5.4 Common Area Pressurized Irrigation System; Easements; Warranty. Grantor will construct the pumping station and pressurized irrigation system for the Subdivision Common Areas and any subsequent properties which are annexed into these CC&R's. Following completion of each portion of the irrigation system Grantor shall transfer title and ownership of that completed portion of the system to the Association. A perpetual easement as necessary for access to repair and maintain the common pressurized irrigation system and common irrigation lines is reserved on each Lot in the Subdivision. Grantor warrants to all Lot Owners that each portion of the system as it is completed will be free of defects, including workmanship, for one full year following the date that construction of each portion of the system is completed. In the event a defect is discovered in that portion of the system where construction was completed during the prior year, Grantor will, at Grantor's expense, repair or remedy that defect. One year after completion of the construction of any portion

of the system there shall be no further warranties by Grantor as to that portion of the system. Any further necessary repairs thereafter shall be the responsibility solely of the Association and Grantor shall have no further liability relating thereto.

After Grantor has transferred ownership of any portion of the common pressurized irrigation system to the Association, the routine maintenance and repair of the system shall be the responsibility of the Association as a Common Area expense.

5.5 Water Costs: All irrigation water costs, whether from ground water or potable water, shall be paid by the Lot Owners as part of the Association Assessments.

5.6 Ground Water Not Drinkable. Notice is hereby given to each Owner in this Subdivision that the water in the pressurized irrigation system for the Common areas is NOT fit for human consumption. It contains untreated ditch water, which may contain dirt, hazardous wastes, dangerous farm chemicals or disease-causing organisms. Drinking of the irrigation water may make a person sick, and while less likely, may result in death or permanent disability.

NEVER DRINK WATER
FROM THE COMMON AREA 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 pressurized irrigation system in the Common Areas is not drinkable;
- B) Ensure that ALL of the faucets and risers in the pressurized 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 pressure irrigation risers;
- D) Not install, or maintain the installation of, any cross connections between the pressurized 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.

5.7 No Liability for Quality of Water. Neither the Association nor the Declarant (or any members, employees, agents, officers, shareholders or directors thereof) shall have any liability OF ANY KIND to any Lot Owner, tenant, Association, member of the Association or any others for any losses, damages, or personal injuries relating in any respect to the quality of the irrigation water, or the ingestion of, or contact with, the irrigation water. Each Owner, tenant and occupant accepts the risk of using the irrigation water and waives any and all claims relating thereto.

ARTICLE 6: COMMON AREAS

6.1 Common Area Lots and ACHD Roadside Swales: All Common Area Lots shall be owned, operated maintained and managed by the Association . This maintenance shall be in an attractive and competent manner. Any street lights shall be owned and maintained by the Association until such time as the City of Eagle may take over such maintenance. The Common Area Lots are:

Lot 1	Block 1	Landscape Buffer
Lot 8	Block 1	Landscape Buffer
Lot 2	Block 2	Landscape Buffer
Lot 6	Block 2	Landscape Buffer
Lot 10	Block 2	Landscape Buffer
Lot 1	Block 3	Landscape Buffer
Lot 3	Block 3	Landscape Buffer
Lot 7	Block 3	Landscape Buffer
Lot 41	Block 3	Landscape Buffer; Sewer Easement
Lot 50	Block 3	Landscape Buffer
Lot 1	Block 4	Landscape Area; Open Space Area
Lot 1	Block 5	Landscape Island
Lot 1	Block 6	Landscape Island
Lot 1	Block 7	Landscape Island
Lot 5	Block 4	Micro-Path Lot

6.2 ACHD Roadside Swales; Parking Prohibited. The ACHD roadside swales developed in the right-of-way of Horseshoe Bend Road adjacent to this Subdivision shall be protected and maintained in good condition and repair by the Association. **Parking is prohibited in these roadside swales.** These roadside

swales were developed pursuant to that Roadside Swale Development Agreement with ACHD. A copy of this agreement is attached hereto as Exhibit D and the terms thereof are incorporated herein as if set out in full.

In the event that ACHD determines, in its sole discretion, that the Association is not adequately performing its maintenance responsibilities of the roadside swales as set out in the agreement 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 30 days Association may undertake to initiate and conclude all maintenance defects as identified by ACHD. In the event that the 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 and easement to enter upon any portion of said Common Areas to perform such inspection and maintenance.

Should ACHD engage in maintenance of the defined area after having provided notice to the Association and having provided the Association an opportunity to undertake said maintenance, the Association shall pay all of the costs of the maintenance. ACHD shall first bill the 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 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 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.

6.3 Micro-Path Lot: Lot 5, Block 4 contains a Micro-Path and landscaping area. This Lot shall be landscaped as approved by the City of Eagle and shall contain a paved Micro-Path the entire length of the Lot as approved by the City. This Lots shall be owned and maintained by the Association and such maintenance shall comply with all Eagle City requirements and regulations for Micro-Paths. This maintenance responsibility shall not be dissolved without the express written permission of the City. Any fences adjacent to the Micro-Path area shall conform to all Eagle City Ordinances and all fences adjacent to Micro-Path Lots shall be maintained by the Association as a Common Area expense. No other fences may be built adjacent to and contiguous with a Micro-Path

fence.

6.4 No Liability. Each Lot Owner by accepting a deed to a Lot in this Subdivision and each occupant by occupying a Lot, and each user of any Common Areas specifically agrees that the Declarant, its agents, officers, directors, employees and shareholders shall have no liability of any kind whatsoever relating in any way to the use of any of the Common Areas, including, but not limited to, any accidents or bodily injuries which result from or are related to that use. All claims or future claims relating thereto are specifically waived and released. Nor shall the Association, its officers, directors, agents, or employees have any such liability. All Lot Owners, occupants and users specifically assume the risk and waive any and all claims relating to the use of the Common Areas.

6.5 Use of Common Area. Every Owner shall have the equal right to enjoy the use of those Common Areas or common facilities which are designed and built for such use. The Association may make reasonable rules governing use of the Common Areas and facilities, and the use of such common Areas as canals may be prohibited. All Common Area Lots shall be owned by the Association. The Association shall have the power to suspend the use of all common areas to Members who are in arrears for non-payment of Assessments. However the Association may not suspend street or sidewalk access to a members Lot or home.

6.6 Damages. Any Owner shall be liable for damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, the Owner's tenant, or the Owner's family, guests, agents, contractors or invitees. In the case of joint Ownership the liability of such Owners shall be joint and several. The cost of correcting the damage shall be treated as a Limited Assessment against the Owner and Building Lot and may be collected as provided herein. No Owner shall be liable for any amounts greater than is legally allowable under Idaho law.

6.7 Maintenance of Ditch Easement. The ditch easement area on Lot 41, Block 3 is not landscaped. However, the Association shall keep the area weed free.

**ARTICLE 7: SHADOW RIDGE NEIGHBORHOOD
ASSOCIATION, INC.**

7.1 Organization of Shadow Ridge Neighborhood Association, Inc. Shadow Ridge Neighborhood Association, Inc. (the "Association") shall be initially organized by Grantor as an Idaho non-profit corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws (attached hereto as Exhibit B) 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.

7.2 Membership. Each Owner of a Lot subject to assessment, by virtue of being an Owner, and for so long as such Ownership is maintained, shall be a Member of the Association. The memberships in the Association shall not be transferred, pledged, assigned or alienated except upon the transfer of Owner's title the transferee of such title. Any prohibited membership transfer shall be void and will not be reflected on the books of the Association.

7.3 Voting. Voting in the Association shall be carried out by Members (including Declarant) who shall cast the votes attributable to the planned Building Lots which they own, whether platted or unplatted, in all phases of Shadow Ridge Subdivision (or nearby phases called by a different name) which property is depicted in Exhibit E hereto. The number of votes any Member may cast on any issue is determined by the number of Building Lots owned, whether platted or unplatted. When more than one person holds an interest in any Building Lot, all such persons shall be Members but shall share the vote attributable to the Building Lot. One Lot, one vote. For voting purposes, the Association shall have two (2) classes of Members:

7.3.1 Class A Members. Owners other than Grantor shall be Class A Members. Each Class A Member shall be entitled to cast one (1) vote for each Building Lot owned by such Class A Member(s) on the day of the vote. One Lot (including duplex Lots), one vote.

7.3.2 Class B Member. The Grantor shall be the Class B Member, and shall be entitled to five (5) votes for each Building Lot (platted or unplatted) owned by Grantor depicted on Exhibit E attached hereto. The Class B Member shall cease to be a Class B voting Member in the Association at the time the Grantor deeds away the last Building Lot depicted on Exhibit E to an

Owner other than Grantor, or on December 31, 2010, whichever date is sooner. Thereafter Grantor shall have the votes of a Class A Owner for each Building Lot owned.

7.3.3 No Fractional Votes or Severance from Land. Fractional votes are not allowed. If joint Owners cannot agree how their vote will be cast, they lose their right to vote on the matter being put to a vote. A vote cast will be conclusive for all purposes that the Owner had authority and consent of all joint Owners. Votes may not be severed from the Building Lot. However, an Owner may give a revocable proxy, or assign the Owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Building Lot concerned, for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer or conveyance of a Building Lot to a new Owner automatically transfers the voting right to the new Owner.

7.4 Board of Directors and Officers. The affairs of the Association shall be managed by a Board of Directors ("Board") and such officers or agents as the Board may elect or appoint as provided in the By-laws. The Board shall be elected in accordance with the By-laws.

7.5 Powers and Duties of the Association. The Association shall have all the powers of a corporation organized under the laws of the State of Idaho subject only to the limitations set forth in the Articles, By-laws, and this Declaration. The Association shall have the power to appoint representatives and the power to perform all acts which may be necessary or incidental to discharge it's duties and responsibilities and to manage and operate the Association's Common Areas and assets. The Association's powers include, but are not limited to, the following:

7.5.1 Assessments. The power to levy Assessments on any Class A Owner as set out herein and to force payment as provided in this Declaration.

7.5.2 Enforcement. The power and authority in its own name, or on behalf of any Owner who consents, to file and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration, the Articles or the By-laws; and to file and maintain any action to enforce the terms thereof.

7.5.3 Emergency Powers. The power to enter upon any property

(but not inside any building) in any emergency where there is potential danger to life or property or when necessary to protect or maintain Improvements for which the Association is responsible. The Association may also enter upon any property to prevent the waste of irrigation water. Such entry shall be made with as little inconvenience to the Owner as practicable. Any damage caused by the Association shall be repaired by the Association.

7.5.4 Licenses, Easements and Rights-of-Way; Cooperative Agreements. The Association shall have the power to enter into any cooperative agreements, license, easement, access and related agreements regarding water, irrigation, drainage, utilities, roadways, rights-of-way, access ways and the like. The Association shall have the power to grant and convey to any third parties, including Grantor, such licenses, easements, access ways, and rights-of-way in, on or under the Common Area or in any easement areas of any Lots as may be requested by Grantor or as the Association may desire for the installation, maintenance, operation and replacement of any systems or services relating to water, irrigation, sewer, drainage, utilities, roadways, rights-of-way, access ways and the like, or as such may be necessary for the preservation of the health, safety, convenience and welfare of the Owners or adjacent properties. The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Association and may be granted at any time prior to twenty-one (21) years from the date of recording of these CC&R's.

7.6 Duties of the Association. In addition to duties necessary and proper to carry out the powers delegated to the Association by this Declaration, the Articles and By-laws, the Association shall have the authority to perform, without limitation, each of the following duties:

7.6.1 Operation and Maintenance. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, and, at the discretion of the Board, provide for: a) the cleaning and sweeping of the streets in the subdivision to keep construction mud and debris to a minimum; b) mowing the vacant Lots and maintaining right of way areas in or adjacent to the subdivision to keep the subdivision as a whole as aesthetically pleasing as possible.

7.6.2 Taxes and Assessments. Pay all real and personal property taxes and assessments including but not limited to water costs separately levied against the Common Area or against the Association and/or any other

property in this Subdivision owned or managed by the Association. Taxes, assessments and water costs may be contested or compromised by the Association and the costs are a common area expense. The Association shall pay any applicable federal, state or local taxes levied against the Association.

7.6.3 Water and Other Utilities. Acquire, provide and pay for water, utilities, maintenance, operations costs, and other necessary services for the Common Areas or any pressurized urban irrigation system.

7.6.4 Insurance. Acquire insurance coverage as the Board deems necessary or advisable, from insurance companies authorized to do business in the State of Idaho, and maintain any insurance policies including, but not limited to the following: **(1)** Comprehensive public liability insurance insuring the Board, the Association, the Grantor and/or the individual grantees and agents and employees of each against any liability incident to the Ownership and/or use of the Common Area; **(2)** Directors' and officers' liability insurance; **(3)** Motor vehicle insurance and Workmen's Compensation insurance; **(4)** Performance, fidelity and other bonds the Board deems necessary to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of Association funds or other property. The Association shall be deemed trustee of the interests of all Owners in connection with any insurance proceeds paid to the Association under such policies, and shall have full power to receive the Owner's interests in such proceeds. All proceeds shall be used for Association purposes. Insurance premiums for the above insurance coverage shall be a common expense to be included in the Regular Assessments levied by the Association.

7.6.5 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 this Declaration, the Articles or the By-laws.

7.7 No Liability. No Board member, committee member, Association officer, Grantor or its officers, directors or shareholders (collectively herein "Grantor") shall be personally liable to any Owner, or any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of that person provided that the person has acted in good faith and without gross, willful or intentional misconduct.

7.8 Budgets; Operating Statement; Balance Sheet; Inspection. Within sixty (60) days after the close of each calendar year, the Association shall cause to be prepared and shall make available for inspection by any Owner; (1) a balance sheet as of the last day of the Association's calendar year; (2) an annual operating statement reflecting the income and expenditures of the Association for its last calendar year; and (3) a proposed budget and schedule of Assessments for the current year. Notice of scheduled Assessments due shall be given at least once a year.

7.9 Meetings of Association; Notice of Meeting and Assessments. Each year the Association shall hold at least one annual meeting of the Members on April 30, or some other date set by the board between April 15 and May 31. If any meeting date falls on a weekend or holiday then the meeting shall be on the next following business day. Notice of such meeting shall be given at least 10 and no more than 30 days prior to the meeting and such notice may include notice of the Assessments scheduled due for the coming year. Only Members or their proxies shall be entitled to attend Association meetings. All other persons may be excluded. Notice for all Association meetings, regular or special, shall be given by regular mail to all Members, at the address for the Lot in the subdivision or the address supplied in writing to the Association. This notice shall set forth the place, date and hour of the meeting and the nature of the business to be conducted. All meetings shall be held within the Property, or as close thereto as practical, at a reasonable place selected by the Board. The presence at any meeting of the Class B Member (or representative) where there is such a Member, and of Class A Members representing Owners holding at least ten percent (10%) of the total votes of all Class A Members, shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present may adjourn the meeting to another time not more than thirty (30) days from the time the original meeting was scheduled. If the rescheduled meeting is more than 30 days then additional notice of the next meeting shall be given. At any subsequent meeting properly called, the presence of any Member shall constitute a quorum.

ARTICLE 8: ASSESSMENTS

8.1 Covenant to Pay Assessments. By acceptance of a deed to any property in Shadow Ridge Subdivision, each Class A Owner hereby covenants and agrees to pay, when due, all Assessments or charges made by the Association pursuant to this Declaration. In the event this subdivision is

developed in phases, the Lots in uncompleted phases shall not be assessed until they become Class A Owner's Lots. Declarant shall not pay any Assessments for Lots owned by Declarant. No Mortgagee shall be required to collect any assessments.

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

8.1.2 Assessment Personal Obligation. Each Assessment obligation set out herein which accrues during the time of Ownership shall also be the personal obligation of the Owner beginning the time the Assessment falls due. This personal obligation for Assessments shall remain Owner's personal obligation regardless of whether he remains an Owner. Notwithstanding anything contained herein, the failure to pay assessments does not constitute a default on an Owner's federally insured mortgage.

8.2 Regular Assessments. All Class A Owners are obligated to pay Regular Assessments to the Association on a schedule of payments established by the Board.

8.2.1 Initial Regular Assessment: The initial Regular Assessment for the year is to be \$250.00 per calendar year per Lot. This initial assessment is due upon sale of a Lot from Grantor and shall be prorated on a calendar year basis based on the date of closing and shall be paid to the Association by the Buyer upon closing of the first transfer of the Lot from the Declarant to the Buyer.

8.2.2 Regular Assessments. The proceeds from Regular (and other) Assessments are to be used to pay for all costs and expenses incurred by the Association, including but not limited to; **(1)** legal, accounting, management, insurance and professional fees; **(2)** the costs and expenses of construction, improvement, protection, maintenance, repair, management and operation of the Common Areas, irrigation facilities, sewer lift stations, special easement areas, and common facilities described in these CC&R's; **(3)** an amount allocated to an adequate reserve fund, established by the Board, 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; **(4)** the cleaning and sweeping of the streets in the subdivision to

keep construction mud and debris to a minimum; and (5) mowing the vacant lots and maintaining right of way areas in or adjacent to the subdivision to keep the subdivision as a whole aesthetically pleasing.

8.2.3 Computation of Regular Assessments. The Association shall compute the amount of its Expenses on an annual calendar basis and shall Assess each Class A Owner's Lot equally for all Assessments (except the Limited Assessments which are on a Lot by Lot basis). Regular Assessments for the calendar year shall be pro-rated as of the date of closing.

8.2.4 Amounts Paid by Owners. The Board can require, in its discretion payment of Regular Assessments in monthly, quarterly, semi-annual or annual installments. The Regular Assessment to be paid by any particular Owner for any given calendar year shall be computed by dividing the Association's total advance estimate of expenses by the total number of Class A Building Lots in the Property (i.e, each Class A Owner of a Building Lot shall pay an equal share of Regular Assessments).

8.3 Special Assessments.

8.3.1 Transfer Special Assessment. Upon each transfer of any Lot in the subdivision and the recording of the deed each Buyer at closing shall pay to the Association a special transfer assessment of Fifty (\$50.00) Dollars which shall be used for general Association purposes.

8.3.2 Start-up Development Assessment. Upon the first sale of each lot in this subdivision from the Declarant, the Buyer shall pay to the Association at closing an initial Association Start-up fee in the amount of \$250.00 to be used for general Association purposes. This fee shall be a one time initial Start-up fee, and shall not be prorated for any time left in the calendar year. This Start-up fee assessment shall be paid in full regardless of the time of year of the closing but shall only be paid once per lot.

8.3.3 Special Short Fall Assessments. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year is or will be short to meet the Expenses of the 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, the Board shall determine the approximate amount necessary to defray such expenses and levy

an Excess or Special Assessment equally to all Class A Owners. No such Assessment shall be levied which exceeds thirty-five percent (35%) of the budgeted expenses of the Association for that calendar year, without the vote or written assent of 2/3 of the Class A Owners. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

8.4 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, the Board may levy a Limited Assessment against a Building Lot and the Owner thereof personally as a remedy to reimburse the Association for costs (together with the 10% management fee, interest and attorneys fees as provided in Article 9 below) incurred in bringing the Owner and/or such Owner's Building Lot into compliance with the provisions of these CC&R's.

8.5 Notice and Assessment Due Date. Except for the Special Transfer Assessment, the Start-up Assessment and initial prorated Regular Assessment, written notice of all other assessments shall be given to the Owner at the property address in the property covered by this Declaration or to such other address as the Owner supplies in writing to the Board. Such notice shall set out the amounts due and the date(s) due. Each installment of Assessments shall become delinquent if not paid within ten (10) days after the levy and notice thereof. The Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Building Lot as more fully provided herein.

8.6 Late Fees; Interest on Past Due Assessments: Assessments of any kind which are not paid within thirty (30) days of the due date shall be assessed an additional late charge of \$25.00. In addition, interest shall be paid on the unpaid assessment at the highest rate allowed by law.

8.7 Estoppel Certificate. The 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 Building Lot Owner is in default 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 paragraph may be relied upon by any prospective purchaser or Mortgagee of the Owner's Building Lot. Reliance on such Certificate may not extend to any default as to which the signor shall have had no actual knowledge.

ARTICLE 9: ENFORCEMENT OF COVENANTS AND ASSESSMENTS; LIENS

9.1 Right to Enforce; Attorneys Fees. The Association has the right to enforce these covenants and to collect and enforce its Assessments. Each Owner of a Building Lot, by accepting a deed to a Building Lot, covenants and agrees to comply with the terms, covenants, conditions and restrictions contained herein and to pay each Assessment provided for in this Declaration and agrees to the enforcement of all covenants and Assessments in the manner herein specified and/or by law. In the event an attorney or attorneys are employed for the enforcement of any covenants or 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 against such Owner. The Board or its authorized representative may enforce these covenants or the obligations of the Owner hereunder by: (1) direct corrective action against the Owner or the offending violation; (2) litigation at law or in equity; (3) foreclosure of the liens created herein; (4) expenditure of funds to remedy any violations; and/or (5) any other lawful action.

9.1.1 Corrective Action. In the event an Owner fails to comply with any provisions of these Declarations, the Board shall have authority to take appropriate corrective action against said Owner. Each Owner who is the subject of such corrective action agrees to and shall pay all the costs of said corrective action, plus interest on all expended funds from the date of expenditure at the rate of 1-1/2% per month, plus a management fee equal to ten percent (10%) of all the costs expended for the corrective action, and all attorneys fees incurred. Such shall be a Limited Assessment against that Lot and that Lot Owner and shall create a lien enforceable in the same manner as other assessments set forth in these CC&R's. If such an assessment is not paid within ten (10) days of notice of the limited assessment, the Owner shall also be subject to late fees set out herein.

9.1.2 Notice of Corrective Action: Prior to taking corrective action the Board, or its authorized representative, shall give notice to the Owner of the violation of these Declarations, the remedy necessary and the date by which the remedy must be completed. In the event the Owner has not remedied the violation by the time set out in the notice the Owner consents to corrective action by the Board or its representatives and shall pay all the costs of such corrective action as set out in this Declaration.

9.2 Assessment Liens. There is hereby created a lien with power of sale on each and every Building Lot to secure payment of any and all Assessments levied against such Building Lot together with other charges as provided in this Declaration. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Building Lots upon recording of a claim of lien with the County Recorder. Such lien shall be prior and superior to all other liens or claims created subsequent to the recording of the claim of lien except for tax liens for real property taxes on any Building Lot and Assessments on any Building Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

9.2.1 Claim of Lien. Upon default of any Owner in the payment of any Assessment, the Association may cause to be recorded in the office of the County Recorder 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), a sufficient legal description of the Building Lot(s) against which the same have been assessed, and the name of the record Owner (or reputed Owner) thereof. Each default shall constitute a separate basis for a claim of lien, but any number of defaults may be included within a single claim of lien. Upon payment to the Association of all Assessments and all other charges of any kind set out in this Declaration or other satisfaction thereof, the Association shall cause to be recorded a notice releasing the lien. The Association may demand and receive the cost of preparing and recording such release before recording the same.

9.3 Method of Foreclosure. The lien may be foreclosed like a mortgage; foreclosed by power of sale; foreclosed pursuant to Idaho Code 45-507; or foreclosed by any other appropriate action in court. The Owner shall pay all of the Association's attorneys fees and costs of the action if the Association prevails. Any sale shall be conducted in accordance with Idaho law applicable to the exercise of powers of sale. The Board is authorized to appoint its attorney, any officer or director of the Association, or any title company authorized to do business in Idaho as trustee for the purpose of conducting such power of sale or foreclosure to the extent allowed by law.

9.4 Action at Law. The Association may, in its discretion, elect not to foreclose the lien and simply file an action at law against the Owner for the monies due. The Owner shall pay all of the Association's attorneys fees and costs of the action if the Association prevails.

9.5 Required Notice. Any claim of lien shall be recorded with the County Recorder. In the event that the Association elects to file a lien pursuant to Idaho Code 45-507 then the Association shall serve the copy of the recorded lien on the Owner within the time limits set out in I.C. 45-507 et seq. and in the manner required therein. No foreclosure action may be brought to foreclose the lien, whether judicially, by power of sale or otherwise, until the expiration of thirty (30) days after the required service. No prior notice to the Owner is required for the Association to file an action at law for the monies due; provided, however, that no action at law can be filed until an Assessment is more than 60 days in default.

9.6 Subordination to Certain Trust Deeds. The lien for the Assessments provided for herein shall be subordinate to the lien of any 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 Building Lot prior to the recording of a claim of lien for the Assessments. The transfer of any Lot pursuant to a foreclosure of a first deed of trust or mortgage shall extinguish the lien of the Assessments which came due before the foreclosure. Otherwise, the sale or transfer of any Building Lot shall not affect any liens or lien rights that Association has in this Declaration. Nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for Assessments.

9.7 Rights of Mortgagees. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat the rights of the Beneficiary under any deed of trust upon a Building Lot made in good faith and for value, and recorded prior to the recording of such amendment, provided that after the foreclosure of any such deed of trust such Building Lot shall remain subject to this Declaration as amended. Any Mortgagee requesting in writing shall be given notice of any default in the payment of Assessments for the Lot the subject of the mortgage.

ARTICLE 10: ADDITIONAL EASEMENTS & ACHD EASEMENTS AND ACHD SPECIAL PROVISIONS

10.1 Easements of Access. Grantor expressly reserves for the benefit of all the Property, the Association and Owners reciprocal easements of access, ingress and egress to and from their respective Building Lots. These reserved easements are for; **(1)** installation and repair of utility services in the easement areas identified on the plat; **(2)** drainage of water (by buried pipe and not by flooding) across and under adjacent Building Lots and Common Areas in the

drainage easement areas shown on the plat; (3) reasonable and necessary access for the maintenance and repair of fencing, retaining walls, lighting facilities, mailboxes, sidewalk abutments, trees, landscaping and the like. Such easements may also be used as necessary by Grantor and the Association.

10.2 Utility Easements. This Declaration is subject to all easements granted by Grantor before or after this Declaration for the installation and maintenance of utilities, drainage facilities, sewer, water, irrigation systems and the like. Grantor reserves, for the Association, the right to grant additional easements and rights-of-way over the Property to utility companies and public agencies as necessary or expedient for the proper development of the Property.

10.3 Improvement of Drainage and Utility Easement Areas. No permanent structures or Improvements shall be constructed on any drainage or utility easement areas which would interfere with or prevent the easement from being used for its intended purpose. Landscaping and fences in these easement areas are permitted in this Declaration if they do not interfere with the use of the easement and do not the terms of any easement agreement affecting the property.

10.4 Additional Easements; Right to Grant Easements. In addition to the easements shown on the recorded plat, an easement is further reserved and each Lot shall be subject to an easement five (5) feet on each side of all other Lot lines for installation and maintenance of irrigation and drainage facilities. Grantor further reserves the right at any time in the future to grant any and all easements, access and rights of way to any utility or governmental entity over under and across any Common Area Lot or Common Area of this subdivision for the purposes of installing, maintaining, operating, or replacing any water, sewer, irrigation, drainage, utility, or governmentally required services or the like.

10.5 Additional Easements to Eagle Sewer District. Lot 41, Block 3 is subject to easements to Eagle sewer District as dimensioned on the plat.

10.6 ACHD Special Easements. ACHD has been granted special easements over under and across certain areas in this Subdivision as identified on the plat and these are subject to that Master Perpetual Storm Water Drainage Easement which was recorded in Ada County as Instrument No. 104068411, a copy of which is attached hereto as Exhibit F. The terms of that easement agreement are incorporated herein by reference. Prior to placing any Improvements, trees, fences or the like in these easement areas, the Owner

shall first obtain approval of ACHD.

No changes in this ACHD document shall be allowed unless agreed to in writing by ACHD. These easements are for access and inspection, 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 these storm drainage easements are for the storage and drainage of storm water.

10.6.1 **"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 Association shall do so.

10.6.2 **"Light" Maintenance.** The Association shall provide all "light" maintenance of the drainage/retention and easement areas as set out in the Operation and Maintenance Manual for this Subdivision. This Manual is on file with ACHD and the Association. The relevant portions of that Manual provide generally as follows:

STORMWATER RETENTION
O & M MANUAL

This manual outlines the duties to be performed by the Association, Inc. (hereinafter the "Association") for the light maintenance of the storm water retention areas.

Purpose of Stormwater Facility. The purpose of the stormwater facilities is to convey stormwater from the streets and are intended to retain stormwater and percolate that water into the ground at rates acceptable to ACHD.

Additions to Facility; Removal; No Liability to ACHD. Additions to the facility (if any), such as park

benches, additional landscaping or other amenities shall be considered temporary and may be removed by ACHD when heavy maintenance of the facility is needed. In the event that any of these additional items are moved, ACHD shall have no liability relating to the removal and shall have no responsibility to repair or replace any items moved. The sole responsibility for the repair and/or replacement thereof shall be with the Association.

Light Maintenance. The Association shall have the duty to perform the light maintenance of the pond as follows:

Monthly Inspection. Monthly visual inspections of the facilities shall be performed by the Association to check for bank stability, water spots, rodent holes and bank erosion. In the event that any of these items are found, the Association shall have a licensed contractor make the necessary repairs.

Monthly Inspection of Underground Storm Drain Facilities. Monthly visual inspections of the underground storm water drain facilities shall be performed by the Association to check for clogging or standing water in or on the piping, the manholes or other structures. In the event that any of these items are found the Association shall contact ACHD so that ACHD can perform their "heavy" maintenance responsibilities.

Mowing and Maintenance of Landscaping. The Association shall perform the normal surface routine maintenance such as mowing lawns, fertilization, weed control, and irrigation of any landscaping. Any lawns shall be maintained in a healthy condition.

Trash Cleanup. Any trash found during the periodic inspections shall be collected and removed.

Annual Operating Costs of Storm Water Facilities. The annual operating costs for these storm water facilities to the Association (and assessed to the Owners) are estimated to be approximately \$1,000 per year. (Additional operating costs will be incurred in the operation and maintenance of future drainage facilities in later phases of this subdivision.)

10.6.3 Association Failure to Maintain; ACHD Remedies. In the event that ACHD determines, in its sole discretion, that the 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 30 days Association may undertake to initiate and conclude all maintenance defects as identified by ACHD. In the event that the 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 and easement 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 defined common area or facility after having provided notice to the Association and having provided the Association an opportunity to undertake said maintenance, the Association shall pay all of the costs of the maintenance. ACHD shall first bill the 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 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 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 Association and all lot owners by accepting title to a lot agree that all lot owners within these subdivisions are benefitted property owners of such maintenance.

10.7 ACHD Temporary License Agreement. Each Lot in this

Subdivision is subject to that ACHD License Agreement attached hereto as Exhibit G.

ARTICLE 11: MISCELLANEOUS

11.1 Term. The easements granted in this Declaration shall be perpetual. These CC&R's shall run with the land, and remain in effect, until December 31, 2029, unless amended as provided. After December 31, 2029, these CC&R's shall be automatically extended for successive periods of ten (10) years each, unless amended or terminated by a recorded instrument executed by Members holding at least three-fourths (3/4) of the voting power of the Association. The Association, and the maintenance responsibilities of the Association, shall not be dissolved without the prior written approval of the City having jurisdiction of this Subdivision.

11.2 Amendment By Grantor. Until the recording of the first deed to a Building Lot, the provisions of this Declaration may be amended, modified, clarified, supplemented, added to or terminated by Grantor alone by recording a written instrument setting forth such amendment or termination.

11.3 Amendment By Owners. Any amendment to this Declaration, shall be by an instrument in writing signed and acknowledged by the President and Secretary of the Association certifying and attesting that such amendment has been approved by the vote, or written consent, representing two thirds (2/3) or more of the voting power in the Association and the assent of the Declarant if Declarant still owns any property in the Subdivision. Any amendment shall be effective upon recording with the County Recorder of such amendment.

11.4 Effect of Amendment. Any amendment of this Declaration approved in the manner specified above shall be binding on all Owners and all Property, notwithstanding that some Owners may not have voted for or consented to such amendment. Amendments may add to and increase the covenants, conditions, restrictions and easements applicable to the Property but no amendment shall prohibit or unreasonably interfere with the allowed uses of any Owner's property which existed prior to the said amendment.

11.5 Annexation of Additional Area. Declarant shall have the right to annex and include additional and similar areas, including but not limited to Shadow Ridge Subdivision, owned by Declarant into these Declarations and to make these additional areas and/or subsequent phases of this subdivision

subject to the jurisdiction of these CC&R's and the Association. Declarant may annex these additional areas by recording a Declaration of Annexation with the County Recorder describing the additional property to be annexed and referring to these Declarations and specifically stating in the notice any other or modified or additional restrictions that apply to the additional lands. Upon recording of the Notice of Annexation, these CC&R's shall apply to the additional lands (as added to or modified by the Declaration of Annexation) as if the additional land were originally covered by this Declaration. Thereafter, the rights, privileges, duties and liabilities of all parties with respect to the additional lands and the lands described in this Declaration will be governed by these Declarations and the Declaration of Annexation as if all had been done together originally. The Association shall manage all the lands together.

11.6 Mortgage Protection. No amendment of this Declaration shall operate to defeat or render invalid the rights of the beneficiary under any first deed of trust made in good faith and for value, and recorded prior to the recording of such amendment, provided that after foreclosure of any first deed of trust such Building Lot shall remain subject to this Declaration, as amended.

11.7 Notices. Any notices required by these CC&R's shall be in writing and may be delivered either personally, by mail, or by overnight courier. Delivery shall be complete when served personally, posted prepaid at the Post Office or delivered prepaid to the overnight courier. Notices shall be sent to the Declarant at 150 E. Aikens, Suite A, Eagle, Idaho 83616; and to Lot Owners at the address of the property, or, if the Owner has given a different address to the Association in writing then notices shall be given to that address. Any addresses may be changed from time to time by notice in writing to the Association.

11.8 Enforcement and Non-Waiver. These CC&R's may be enforced by Declarant, the Board, the Association or any Owner. Failure to enforce any of the terms of this Declaration at any time shall not be a waiver of the right to do so thereafter. Nothing contained herein shall be construed as an obligation of the Declarant, Board, or Shadow Ridge Neighborhood Association to enforce any of these CC&R's. Neither Declarant, Board nor Shadow Ridge Neighborhood Association shall have any liability of any kind to any person or Lot Owner for failing to enforce any of these CC&R's.

11.9 Successors and Assigns. All references herein to Declarant, Owners, the Association or person shall be construed to include all heirs,

successors, assigns, partners and authorized agents of such Grantor, Owners, Association or person.

DATED THIS 16 day of MAR, 2005.

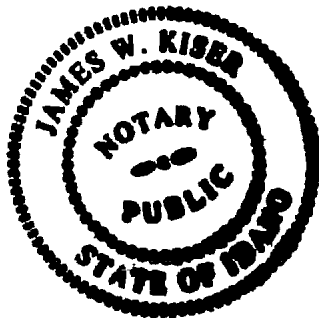
Hillview Development Corporation

By [Signature]
James C. Merkle
Title: President

STATE OF IDAHO,)
(ss.
COUNTY OF ADA,)

On this 16 day of March, 2005, before me, a notary public in and for said State, personally appeared James C. Merkle, known or identified to me to be the President of Hillview Development Corporation, the corporation that executed the foregoing instrument and acknowledged to me that such corporation executed the same, and acknowledged to me that he executed the same on behalf of the corporation.

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



[Signature]

Notary Public for Idaho
Residing in Boise, Idaho
My Commission Expires: 1-13-2011



IDAHO
SURVEY
GROUP

1450 East Watertower St.
Suite 150
Meridian, Idaho 83642

Phone (208) 846-8570
Fax (208) 884-5399

Project No. 04-215

October 22, 2004

**Shadow Ridge Subdivision
Except Lot 1, Block 2**

A parcel of land located in the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of section 10, T. 4N., R. 1E., B.M., Ada County, Idaho, more particularly described as follows: Commencing at the corner common to sections 2, 3, 11 and the said section 10, as same is described in CP & F Instrument No. 8209767, Ada County records, from which the $\frac{1}{4}$ corner common to said sections 10 and 11 bears South $00^{\circ}00'00''$ West, 2635.56 feet; Thence South $00^{\circ}00'00''$ West, 1345.96 feet; Thence South $89^{\circ}46'45''$ West, 50.04 feet to a point on the West right-of-way of Horseshoe Bend Road and the **REAL POINT OF BEGINNING.**

Thence along the said right-of-way South $00^{\circ}02'16''$ West, 165.79 feet;

Thence departing said right-of-way South $89^{\circ}51'21''$ West, 239.23 feet;

Thence South $00^{\circ}02'16''$ West, 163.54 feet;

Thence North $89^{\circ}51'21''$ East, 249.23 feet to a point on the West right-of-way of Horseshoe Bend Road;

Thence along said right-of-way South $00^{\circ}02'16''$ West, 487.06 feet;

Thence departing said West right-of-way along a line described in Boundary Line Agreement Instrument No. 757747, South $86^{\circ}00'34''$ West, 1124.80 feet;

Thence North $44^{\circ}45'33''$ West, 221.68 feet to a point on the West line of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, common to the East right-of-way of State Highway 55;

Thence along said West line and East right-of-way North $00^{\circ}17'02''$ West, 732.33 feet to a point which bears South $00^{\circ}17'02''$ East, 13.29 feet from the NE $\frac{1}{16}$ corner of said section 10;

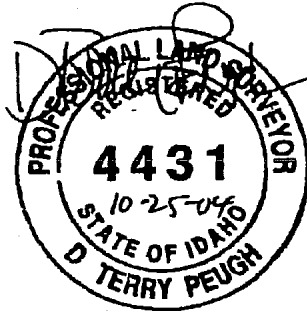
Professional Land Surveyors

EXHIBIT "A"

$\frac{1}{2}$

Thence along the South line of Quiet Title action described in Instrument No. 104015080, records of Ada County, Idaho, North 89°46'45" East, 1272.35 feet to the Point of Beginning. Containing 23.95 acres, more or less.

Prepared By:
Idaho Survey Group, P.C.



D. Terry Peugh, PLS

EXHIBIT "A"
2/2