



MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
WILLIAMSON RIVER RANCH SUBDIVISION

July 31, 2018

Table of Contents

ARTICLE I.....	5
RECITALS.....	5
ARTICLE II.....	6
DECLARATION	6
ARTICLE III.....	6
DEFINITIONS.....	6
ARTICLE IV.....	9
PURPOSE.....	9
ARTICLE V.....	9
PERMITTED USES AND PERFORMANCE STANDARDS.....	9
SECTION 5.01. Use.....	9
SECTION 5.02. Buildings.....	10
SECTION 5.03. Approval of Use and Plans	10
SECTION 5.04. Prohibited Buildings/Uses.	10
SECTION 5.05. Set-Backs	10
SECTION 5.06. Antennae/Dishes.....	11
SECTION 5.07. Easements.....	11
SECTION 5.08. Lighting	12
SECTION 5.09. Roofs.....	12
SECTION 5.10. Animals.....	12
SECTION 5.11. Septic Tanks/Cesspools	13
SECTION 5.12. Grading and Drainage.....	13
SECTION 5.13. Commercial Use Prohibited.....	13
SECTION 5.14. Maintenance.....	13
SECTION 5.15. Mining and Drilling	14
SECTION 5.16. Vehicles.....	15
SECTION 5.17. Outbuildings.....	15
SECTION 5.18. Garage Doors.....	15
SECTION 5.19. Exterior Materials and Colors.....	15
SECTION 5.20. External Energy Devices	16
SECTION 5.21. Mailboxes	16
SECTION 5.22. Signs	16
SECTION 5.23. Subdividing.....	16
SECTION 5.24. Fences.....	16
SECTION 5.25. Irrigation Water	17
SECTION 5.26. Landscaping.....	18
SECTION 5.27. Storm Drainage.....	18
SECTION 5.28. Adoption of ACC Guidelines	19
SECTION 5.29. Exemption of Grantor.....	19
SECTION 5.30. Rental/Lease Restrictions	19
SECTION 5.31. Development in Floodway.....	20
SECTION 5.32. Conservation Easement	20
SECTION 5.33. Pathways.....	20
ARTICLE VI.....	21
WILLIAMSON RIVER RANCH OWNERS ASSOCIATION, INC.	21

SECTION 6.01. Organization of Association	21
SECTION 6.02. Sub-Association(s).....	21
SECTION 6.03. Relationship Between Association and Sub-Associations	21
SECTION 6.04. Members	22
SECTION 6.05. Classes of Membership	22
SECTION 6.06. Board of Directors and Officers.....	22
SECTION 6.07. Powers of Association	22
SECTION 6.08. Duties of Association.....	24
SECTION 6.09. Budgets and Financial Statements	26
SECTION 6.10. Effective Date	26
SECTION 6.11. Dissolution.....	26
ARTICLE VII.....	27
MAINTENANCE OBLIGATIONS OF ASSOCIATION.....	27
SECTION 7.01. Ownership of Common Area Lots and Irrigation System	27
SECTION 7.02. Duty to Maintain Pathways and Landscaping.....	27
SECTION 7.03. Duty to Maintain Clubhouse and Pool.	27
SECTION 7.04. Duty to Maintain Lot 3, Block 1.....	27
SECTION 7.05. Duty to Maintain Irrigation System Facilities.....	27
SECTION 7.06. Ada County Highway District License Agreement.	27
SECTION 7.07. Storm Water Drainage System	28
SECTION 7.08. Identification Signs	28
SECTION 7.09. Cluster Mailboxes.....	28
SECTION 7.10. Fences	28
SECTION 7.11. Other Maintenance Obligations.....	28
SECTION 7.12. Liability for Damage.....	28
SECTION 7.13. Cost of Maintenance, Repairs and Replacement	28
SECTION 7.14. Easement for Maintenance.....	29
SECTION 7.15. Reserve for Maintenance, Repair and Replacement	29
ARTICLE VIII.....	29
ASSOCIATION PROPERTIES.....	29
SECTION 8.01. Use.....	29
SECTION 8.02. Damages	29
SECTION 8.03. Damage and Destruction.....	30
SECTION 8.04. Condemnation.....	30
ARTICLE IX.....	30
ASSESSMENTS.....	30
SECTION 9.01. Covenant to Pay Assessments.....	30
SECTION 9.02. Regular Assessments	30
SECTION 9.03. Special Assessments	30
SECTION 9.04. Limited Assessments	31
SECTION 9.05. Sub-Association Assessments.....	31
SECTION 9.06. Commencement of Regular Assessments	32
SECTION 9.07. Uniform Rate of Assessment	32
SECTION 9.08. Assessment Due Date	32
SECTION 9.09. Interest and Penalties	32
SECTION 9.10. Estoppel Certificate	33
SECTION 9.11. Notice and Quorum Requirements.....	33
ARTICLE X.....	33
ENFORCEMENT OF ASSESSMENTS.....	33
SECTION 10.01. Right to Enforce.....	33
SECTION 10.02. Creation of Assessment Liens.....	33

SECTION 10.03. Notice of Assessment Lien	34
SECTION 10.04. Enforcement.....	34
SECTION 10.05. Notice Required.....	34
SECTION 10.06. Reporting	34
SECTION 10.07. Term of Assessment	35
SECTION 10.08. Non-Exclusive Remedy	35
ARTICLE XI.....	35
ARCHITECTURAL CONTROL COMMITTEE.....	35
SECTION 11.01. Members of the Committee	35
SECTION 11.02. Appointment	35
SECTION 11.03. Compensation	35
SECTION 11.04. Non-Liability	35
SECTION 11.05. Approval Required.....	36
SECTION 11.06. Variances.....	36
SECTION 11.07. Application	36
SECTION 11.08. Construction Completion Deposit	36
SECTION 11.09. Decision.....	37
SECTION 11.10. Inspection and Complaints.....	37
SECTION 11.11. Hearing	37
SECTION 11.12. Appeal.....	38
SECTION 11.13. Enforcement.....	39
SECTION 11.14. Additional Damages	39
SECTION 11.15. Non-Exclusive Remedy	39
SECTION 11.16. Private Rights	39
SECTION 11.17. Inspection Fee(s).....	40
ARTICLE XII.....	40
ANNEXATION.....	40
SECTION 12.01. Annexation.....	40
SECTION 12.02. De-Annexation.....	40
ARTICLE XIII.....	40
MISCELLANEOUS	40
SECTION 13.01. Term	40
SECTION 13.02. Amendment	40
SECTION 13.03. Books and Records	41
SECTION 13.04. Non-Waiver	41
SECTION 13.05. Acceptance.....	41
SECTION 13.06. Indemnification of Board Members and ACC.....	41
SECTION 13.07. Notices.....	42
SECTION 13.08. Interpretation	42
SECTION 13.09. Severability.....	42
SECTION 13.10. Not a Partnership	42
SECTION 13.11. Third Party Beneficiary Rights	42
SECTION 13.12. Injunctive Relief	42
SECTION 13.13. Breach Shall Not Permit Termination.....	42
SECTION 13.14. Attorneys' Fees.....	42
SECTION 13.15. Force Majeure.....	42
SECTION 13.16. Assignment by Grantor.....	43
SECTION 13.17. Governmental Rules and Ordinances.....	43
SECTION 13.18. Boise City Wastewater Treatment Plant.....	43

MASTER DECLARATION OF
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FOR
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July 31, 2018

ARTICLE I

RECITALS

WHEREAS, the undersigned (hereafter "Grantor") is the owner of certain land in City of Eagle, Ada County, Idaho, more particularly described as follows (hereafter "Subdivision" or "Property"):

WILLIAMSON RIVER RANCH SUBDIVISION No. 1 according to the official plat thereof filed in Book 114 of Plats at Pages 16865 through and including 16869 records of Ada County, Idaho

WHEREAS, the Grantor desires to subject the Property to the covenants, conditions, restrictions, easements, reservations, limitations and equitable servitudes herein set forth in this "Master Declaration" to (i) insure the enhancement and preservation of property values, (ii) provide for the proper design, development improvement and use of the Property by the Grantor and all other persons or entities who may subsequently acquire an interest in the Property and (iii) create a high quality residential development;

WHEREAS, as additional land owned and platted by the Grantor adjacent to or in the vicinity of the Property is platted and developed for uses similar to that of the Property, upon election by the Grantor, such shall become subject to the terms of this Master Declaration by annexing the same as provided herein;

WHEREAS, because the Subdivision will be developed in several phases, each of which may have unique characteristics, needs and requirements, the Grantor may, from time-to-time, promulgate further conditions, covenants, restrictions and easements as "Supplemental Declarations" relating to particular tracts or parcels of real property within the Subdivision or exclude such tracts or parcels from specific provisions of this Master Declaration; and

WHEREAS, in order to achieve the objectives and desires of the Grantor, the Grantor will control the management and government of the Property and the non-profit association of Owners to be created until such time as the Owners take over the management functions through the Association upon completion of the development process.

ARTICLE II

DECLARATION

The Grantor hereby declares that the Property and each lot, tract or parcel thereof (hereafter called "Lot," unless specified to the contrary), is and shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following covenants, conditions, restrictions, easement, reservations, limitations and equitable servitudes (hereafter collectively called "covenants 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 or any Lot therein, and to enhance the value, desirability and attractiveness thereof. The covenants and restrictions set forth herein shall run with the land and each estate therein and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any Lot therein; shall inure to the benefit of every Lot in the Subdivision and any interest therein; and shall inure to the benefit of and be binding upon the Grantor and each Owner, and each successor in interest of each, and may be enforced by the Grantor and by any Owner, or by the Owner's Association, as hereafter provided.

Notwithstanding the foregoing, no provision of this Master Declaration shall be construed or enforced to prevent or limit the Grantor's right to complete development of the Property in accordance with the plan therefore as the same exists or may be modified from time-to-time by the Grantor nor prevent normal construction activities during the construction of Improvements upon any Lot in the Subdivision. No development or construction activities shall be deemed to constitute a nuisance or violation of this Master Declaration by reason of noise, dust, presence of vehicles or construction machinery, erection of temporary structures, posting of signs or similar activities, provided that the same are actively, efficiently and expeditiously pursued to completion. In the event any dispute concerning the foregoing shall arise, a temporary waiver of the applicable provision(s) of this Master Declaration may be granted by the Architectural Control Committee provided that such waiver shall be for a reasonable period of time. Any such waiver need not be recorded and shall not constitute an amendment of this Master Declaration.

In the event of any conflicts between the provisions of this Master Declaration and the requirements of the applicable ordinances of Eagle, Idaho (upon annexation), the more restrictive shall control.

ARTICLE III

DEFINITIONS

As used in this Master Declaration, unless the context otherwise specifies or requires, the following words and phrases shall be defined as follows:

ACC: The Architectural Control Committee for the Subdivision.

ACC Guidelines: Such rules or standards promulgated by the Grantor and/or the ACC as authorized herein.

Annexation: The process by which additional tracts or parcels of land, including platted lots improved with single family dwellings, not initially a part of the Property are made subject to this Master Declaration.

Assessment: A payment required of Association members, including Regular, Special, or Limited, as provided in this Master Declaration.

Association: Williamson River Ranch Owners Association, Inc., an Idaho non-profit corporation.

Association Rules: Such rules and regulations as may be promulgated by the Association as authorized herein.

Board: The duly elected and qualified Board of Directors of the Association.

Building: A structure constructed on a Lot on a temporary or permanent basis and unless specified to the contrary, shall include all other appurtenances and improvements thereto or used in connection therewith.

By-Laws: The By-Laws of the Association, including any amendments thereto duly adopted.

Common Area: All real property within the Subdivision in which the Association owns an interest or controls and which is held or controlled for the betterment of the Subdivision.

Development: The project to be undertaken by the Grantor resulting in the improvement of the Subdivision or any additional property annexed hereunder, including landscaping, amenities, construction of roadways, utility services and other improvements.

Grantor: Williamson River Ranch, LLC, an Idaho limited liability company.

Improvements: All structures and appurtenances thereto of all kinds and types, including but not limited to, Buildings, roads, driveways, parking lots, sidewalks, walkways, walls, fences, screens, landscaping, poles, signs and lighting. Improvements shall not include those items that are located totally on the interior of a Building and cannot be readily observed when outside thereof.

Initial Construction: The first construction of permanent Improvements on a Lot following the sale of that Lot by the Grantor to an Owner, and intended for residential occupancy.

Limited Assessment: An Assessment levied by the Association upon one or more Lots, but not upon all Lots within the Subdivision, for the purpose of securing payment by the Owner(s) thereof of amounts expended by the Association to correct a condition prohibited or to cure an Owner's breach hereunder.

Lot: A portion of the Property which is a legally described tract or parcel of land within the Subdivision or which is designated as a Lot on any recorded subdivision plat relating to the Property.

Master Declaration: This instrument as it may be amended from time-to-time.

Master Plan: The overall master development plan prepared by the Grantor for the whole of the Property, as the same exists from time-to-time and which illustrates the proposed total development contemplated by the Grantor and the nature and location of each of the uses intended to be allowed within the Property. Provided, that no use shall be allowed within the Property unless the same is in accordance with applicable zoning ordinances.

Member: Any person(s) who is an Owner of a Lot within the Subdivision.

Mortgage: Any mortgage or deed of trust or other hypothecation of land located in the Subdivision to secure the performance of an obligation. Unless otherwise specifically provided, the reference to a "Mortgage" in this Master Declaration shall be limited to a "first Mortgage," including a "first Deed of Trust," on a Lot in the Subdivision.

Mortgagee: The holder of a Mortgage or the beneficiary under a Deed of Trust, including an assignee(s) thereof, which Mortgage or Deed of Trust encumbers a Lot in the Subdivision owned by an Owner. Unless otherwise specifically provided, the reference to a "Mortgagee" in this Master Declaration shall be limited to a holder of a first Mortgage, including a beneficiary under a first Deed of Trust on a Lot.

Occupant: Any person, association, corporation or other entity who or which is an Owner, or has leased, rented, been licensed, or is otherwise legally entitled to occupy and use any Building or Improvement on a Lot whether or not such right is exercised, including their heirs, personal representatives, successors and assigns.

Owner: A person or persons or other legal entity or entities, including the Grantor, holding fee simple title to a Lot in the Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, but including any Mortgagee (of any priority) or other security holder provided said Mortgagee or other security holder is in actual possession of a Lot as a result of foreclosure or otherwise, and any person taking title through such Mortgagee or other security holder by purchase at foreclosure sale or otherwise.

Plat: A final subdivision plat covering any real property in the Subdivision, as recorded in the office of the County Recorder, Ada County, Idaho, as the same may be amended by duly recorded amendments thereto.

Regular Assessment: An assessment levied by the Association to provide funds to pay the ordinary estimated expenses of the Association.

Special Assessment: An assessment levied by the Association other than a Regular or Limited Assessment.

Sub-Association: An Idaho non-profit corporation or unincorporated Association organized by the Grantor or by any Owner(s) pursuant to a Supplemental Declaration recorded by the Grantor for any specific tract or parcel within the Subdivision. Unless specifically provided to the contrary, or the context requires otherwise, a reference to "Association" shall include "Sub-Association."

Sub-Association Board: The duly elected and qualified Board of Directors of a Sub-Association. Unless specifically provided to the contrary, or the context requires otherwise, reference to "Board" shall include "Sub-Association Board."

Supplemental Declaration: The additional or different conditions, covenants, conditions, restrictions and easements relating to a particular tract or parcel of real property within the Subdivision promulgated by the Grantor and recorded in the official records of Ada County, Idaho. Unless specifically provided to the contrary, or unless the context otherwise requires, a reference to "Master Declaration" shall include "Supplemental Declaration."

Subdivision: The whole of the Property and any additional land annexed thereto as provided herein, including any such additional land as may be platted and annexed hereunder under a different name (also sometimes referred to herein as “Property”).

Williamson River Ranch Owners Association, Inc.: The Idaho non-profit corporation organized by the Grantor and comprised of Members and existing for the purpose of providing self-government for the Property.

ARTICLE IV

PURPOSE

The Property is hereby made subject to the covenants and restrictions contained in this Master Declaration, all of which shall be deemed to be imposed upon and run with the land and each and every Lot and parcel thereof, and shall apply to each and every Owner and Occupant thereof and their respective successors in interest, to insure proper design, development, improvement, use and maintenance of the Property for the purpose of:

- (a) Insuring Owners and Occupants of Buildings of quality of design, development, improvement, use and maintenance as shall protect and enhance the investment and use of all Lots and Improvements.
- (b) The prevention of the erection in the Subdivision of Improvements of improper design or construction with improper or unsuitable materials or with improper quality and method of construction.
- (c) Encouraging and insuring the erection of quality and attractive Improvements appropriately located within the Property to assure visual quality and harmonious appearance and function.
- (d) Securing and maintaining proper setbacks from streets and open areas in the Subdivision and adequate free spaces between Improvements.
- (e) The integration of development of the different Lots by setting common general standards consistent with the ACC Guidelines existing from time-to-time.
- (f) Insuring attractive landscaping and the conservation of existing natural features with minimum adverse impact on the ecosystem.

As used hereafter, “Project Objectives” shall mean the foregoing specified purposes.

ARTICLE V

PERMITTED USES AND PERFORMANCE STANDARDS

SECTION 5.01. Use. Unless otherwise specified in a Supplemental Declaration covering a particular Lot(s) or parcel(s), Lots shall be used only for residential purposes and such uses as are customarily incidental thereto, including, but not limited to, a home office provided that such incidental use does not result in a consistent increase in traffic and demand for parking, and Common Area. As used herein and elsewhere in this

Master Declaration, “residential” shall mean the use of the Improvements on a Lot for living accommodations by one (1) or more related or unrelated persons, including guests of the principal Occupant(s), which guests reside therein on a temporary basis defined as not more than a total of ninety (90) days in a twelve-month period. Notwithstanding the provisions of §67-6530 et. seq., Idaho Code, as used in this Master Declaration, “residential” is not intended, nor shall the same be construed, to include the use of Lot for the operation of a shelter home for persons unrelated to each other or unrelated to the Owner or Occupant.

SECTION 5.02. Buildings. Except as (i) otherwise designated on the Master Plan for the Property, (ii) otherwise specified for a particular Lot, tract or parcel in a Supplemental Declaration, or (iii) allowed by the zoning ordinance applicable to the Lot, no Lot shall be improved with more than one (1) dwelling unit. Each dwelling unit shall have an attached or detached fully enclosed garage adequate for a minimum of two (2) standard size automobiles. The minimum square footage of living area within a dwelling unit located on a Lot shall be as provided in the ACC Guidelines. The square footage of living area shall be based on the finished interior living space at or above the grade of the Lot, exclusive of basement, porches, patios and garage. No Buildings having more than two (2) stories (as determined by the ACC) shall be allowed; provided, however, that no Building having more than one (1) story nor a height in excess of 28-feet shall be constructed on Lot 2, Block 3 of the Subdivision. All dwelling units shall be constructed in substantial conformance with the styles of architecture approved by the City of Eagle, Idaho in application nos. CPA-02-15/A-02-15/RZ-05-15/CU-02-15/PPUD-01-15/PP-03-15.

SECTION 5.03. Approval of Use and Plans. No Improvements shall be built, constructed, erected, placed or materially altered within the Property unless and until the plans, specifications and site plan therefore have been reviewed in advance and approved by the ACC in accordance with the provisions of Article XI, below. Building, fencing and landscaping plans must be submitted to the ACC for approval, and ACC approval of the same obtained, prior to the start of construction. The failure of an Owner submit such plans and obtain the required approval may result in a penalty of up to \$5,000.00 payable by such Owner to the Association, in addition to any remedy ruled appropriate by the ACC or the Board, which penalty, if so assessed by the Board, shall be in the form of a Limited Assessment levied against such Owner’s Lot. Such penalty may be imposed only upon the following conditions: (a) a majority vote by the Board shall be required prior to imposing the monetary penalty; (b) written notice by personal service or certified mail of the meeting during which such vote is to be taken shall be made to the Owner at least thirty (30) days prior to the meeting; (c) in the event the Owner begins resolving the violation prior to the meeting, no monetary penalty shall be imposed so long as the Owner continues to address the violation in good faith until fully resolved; and (d) no portion of any monetary penalty may be used to increase the remuneration of any member of the Board or agent of the Board.

SECTION 5.04. Prohibited Buildings/Uses. No trailer or other vehicle, tent, shack, garage, accessory Building or out Building shall be used as a temporary or permanent residence. No noxious or offensive activities shall be conducted on any Lot nor shall anything be done thereon which may be or become an unreasonable annoyance or nuisance to the Occupant(s) of the other Lots within the Property by reason of unsightliness or the excessive emission of fumes, odors, glare, vibration, gases, radiation, dust, liquid waste, smoke or noise.

SECTION 5.05. Set-Backs. No Building or other structure (exclusive of fences and similar structures approved by the ACC) shall be located on a Lot nearer to a Lot line than the distance permitted by (i) the ordinances of the City of Eagle, Idaho applicable to the Property except as may be modified by a Conditional Use Permit, Development Agreement, or other approval issued by the City of Eagle, Idaho, as the case may be, or (ii) the ACC Guidelines, whichever requires the greater distance. The ACC shall have the right to stagger the front setbacks of the Lots in order to create a more pleasing appearance and to minimize the negative visual appearance of a uniform building line. The ACC shall also have the power to approve a zero lot line setback on the sides of any Lot in the Subdivision, provided approval is also obtained by the Owner/Applicant from the City of Eagle. All buildings shall be set back a minimum of 100 feet from the floodway line as shown on the applicable Flood Insurance Rate Map.

SECTION 5.06. Antennae/Dishes. No exterior radio antennae, television antennae or other antennae, including a satellite dish, shall be erected or maintained on a Lot without the prior approval in writing by the ACC. A small antennae/dish, if discretely placed, may be approved by the ACC on a case-by-case basis at the discretion of the ACC. Large or tall antennae/dishes are prohibited.

SECTION 5.07. Easements. There is hereby reserved for the use and benefit of the Grantor and granted for the use and benefit of each Lot, and for the use and benefit of each Owner and Occupant, and for the use and benefit of the Association, and their successors and assigns, for the purposes incident to such use, development and maintenance of the Property, the following easements:

- (a) **Public Utilities.** For the installation and maintenance of public utility facilities of all kinds, including radio and television and transmission cables, the easements so designated on the recorded Plat(s) for any portion of the Property.
- (b) **Water.** For water drainage, irrigation, retention, recreation or amenity purposes so designated on the recorded Plat(s) for any portion of the Property.
- (c) **Access to Common Areas.** For the purpose of permitting the Grantor or the Association, their contractors and agents, to enter onto those portions of Lots contiguous to any Common Area to maintain, repair, replace and restore landscaping and other Improvements within the Common Area, including, but not limited to, a sprinkler irrigation system which may be installed to irrigate any landscaping located on a Common Area easement for landscaping as shown on the recorded Plat(s) for any portion of the Property.
- (d) **Encroachment.** Unless specified in a separate document specific to a Lot(s), reciprocal appurtenant easements of encroachment, not to exceed one foot (1'), as between each Lot and such portion(s) of the Common Area adjacent thereto, or between adjacent Lots, due to the unintentional placement or settling or shifting of the Improvements constructed thereon, which easements of encroachment shall be valid so long as they exist and the rights and obligations of Owners shall not be altered in any way by said encroachments, settling or shifting; provided, however, that in no event shall a valid easement for encroachment occur due to the willful act or acts of an Owner.
- (e) **Pressurized Irrigation System.** For the purpose of permitting the Grantor or the Association, their contractors and agents, to maintain, repair and/or reconstruct the pressurized irrigation system within the Subdivision, and any other facilities or equipment located within or outside of the Subdivision for the delivery of irrigation water to Lots within the Subdivision.
- (f) **Plat.** Any additional easements, if any, as shown and designated on the recorded Plat for the Subdivision.

The easement areas (excluding any equipment or appurtenances owned by the Grantor, the Association or a utility company located thereon) herein reserved shall be maintained by the Owner of the Lot upon which they are situated.

No Improvements shall be placed or permitted to remain on such easement areas located within any Lot which shall interfere with the intended use or purpose of such easement(s), and no other activity shall be undertaken on any Lot which may interfere with the use and access intended to be provided by such easement or

the installation or maintenance of the utilities or other facilities, if any, located thereon or therein. If any Improvements are located on an easement area on a Lot in violation of this Section 5.07 and such Improvements are damaged or destroyed by the Grantor or the Association, or their contractors or agents, in the exercise of the rights herein reserved, the repair and restoration of the same shall be the responsibility of the Owner of the Lot.

SECTION 5.08. Lighting. If required by the ACC, each Owner shall install, and maintain in an operative condition, such exterior lighting as shall be provided in the ACC Guidelines.

SECTION 5.09. Roofs. The type, pitch and roof covering material(s) which shall be required on Buildings within the Property shall be as set forth in the ACC Guidelines. No gravel roofs shall be permitted.

SECTION 5.10. Animals. No animals, livestock, birds, insects or poultry of any kind, except Assistance Animals (as defined below), shall be raised, bred, or kept on any Lot, except that Household Pets (As defined below) may be kept for an Owner's or Occupant's personal use provided that (a) such Household Pets are not bred or maintained for any commercial purpose; (b) no more than two (2) domesticated dogs and one (1) cat, or two (2) cats and one (1) dog, or other small household pets may be kept on a Lot; and (c) any such Household Pets shall be properly restrained, be on a leash when not confined to an Owner's or Occupant's Lot, and be controlled at any time they are within the Subdivision so they do not unreasonably bother or constitute a nuisance to others.

"Household Pets" as permitted hereby shall mean generally recognized household pets, such as, but not limited to domesticated dogs, domesticated cats, fish, rodents and non-poisonous reptiles. Household Pets shall not include livestock, poultry, other birds or waterfowl not housed within the Dwelling, swine, or other animals. Notwithstanding the foregoing, Household Pets shall not be kept which unreasonably bother or constitute a nuisance to other residents. "Nuisance" shall mean any noisy animal (as defined below), any vicious animal, any non-domestic household pet, or any animal which damages or destroys property. Excessive, continued or untimely barking, molesting passersby, chasing vehicles, pursuing or attacking other animals, including wildlife, and trespassing upon private property in such a manner as to damage property shall also be deemed a Nuisance. "Noisy Animal" means any animal which habitually, constantly, or frequently disturbs the sleep, peace or quiet of any other resident. Owners shall contact the local animal control agency regarding noisy animals prior to complaining to the Association about such animals. Any costs associated with responding to complaints of a noisy animal or Nuisance pet may be levied against an Owner or Occupant as a Special Assessment. The Owner of a Lot where a Household Pet is kept, as well as the legal owner of the pet (if not such Owner), shall be jointly and severally liable for any and all damage and destruction caused by the pet, and for any clean-up of any Common Area, road or other property necessitated by such pet. Assistance Animals (as defined below) are welcome in the Subdivision in accordance with the Fair Housing Act, in accordance with the following:

- (a) An "Assistance Animal" is any animal needed by a disabled individual to have an equal opportunity to use and enjoy a dwelling. Examples of Assistance Animals are guide animals, animals that alert people who are deaf, animals that pull a wheelchair, animals that alert and protect a guest who is having a seizure, animals that remind an individual with mental illness to take prescribed medications, animals that calm an individual with Post Traumatic Stress Disorder during an anxiety attack, and animals that provide comfort or emotional support. Assistance animals in training are to be treated as Assistance Animals, even if the handler is not disabled. An Assistance Animal need not be licensed or certified by any government. Individuals with Assistance Animals shall not be treated less favorably than other residents or charged fees that are not charged to other residents without animals.
- (b) The Association shall have the right, to the extent permitted under the Fair Housing Act, to prohibit or restrict any Assistance Animal that (1) is out of control and the handler

does not take effective action to control it, or (2) the animal's behavior poses a threat to the health or safety of others. Any individual who brings an Assistance Animal in the Subdivision is financially and legally responsible for any injury or damage caused by such Assistance Animal, and for any clean-up of any Common Area, road, or other property necessitated by such Assistance Animal.

SECTION 5.11. Septic Tanks/Cesspools. No septic tanks and/or cesspools shall be allowed within the Subdivision.

SECTION 5.12. Grading and Drainage. A site plan indicating the proposed grading and drainage of a Lot must be approved by the ACC before any construction is initiated. Lot grading shall be kept to a minimum and Buildings are to be located for preservation of the existing grade(s) and any grade(s), berms or swales should be an integral part of the grading design. Water may drain or flow into the drainage swales, if any, located on each Lot or within the public rights-of-way within the Subdivision but shall not be allowed to drain or flow upon, across or under adjoining Lots, unless an express written easement for such purpose exists. There shall be no interference with the established drainage pattern over any portion of the Subdivision, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the ACC. For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Subdivision is completed by the Grantor, or that drainage which is shown on any plans approved by the ACC, which may include drainage from a Common Area Lot over any Lot within the Subdivision. The Owner of any Lot within the Subdivision in which grading or other work has been performed pursuant to a grading plan approved by the ACC, shall maintain and repair all graded surfaces, drainage structures, means or devices which are not the responsibility of the Association, ACHD or any governmental entity.

After the Initial Construction on a Lot, an Owner shall not change or alter any grading on a Lot or construct or alter any berms or swales on a Lot, including the drainage swales, if any, located in the public right-of-way adjacent to such Lot, which will affect or change the drainage on a Lot or any other Lot within the Subdivision, without the prior written approval of the ACC.

SECTION 5.13. Commercial Use Prohibited. Unless otherwise shown on the Master Plan for the Property and specifically permitted in a Supplemental Declaration, no Lot shall be used at any time for commercial or business activity, provided, however, that the Grantor or persons authorized by the Grantor may use a Lot(s) for development and sales activities relating to the Property, model homes or real estate sales. As used herein, "commercial or business activity" shall not include the use of a Lot for an incidental use as described in Section 5.01, above, or the rental by an Owner of a Lot and the Improvements thereon for residential purposes. The use of a Lot for a shelter home, as the same is defined in §67-6530 et. seq., Idaho Code, whether or not operated for profit, shall, for the purposes of this Master Declaration, be a commercial or business use.

SECTION 5.14. Maintenance. The following provisions shall govern the maintenance of Lots and all Improvements thereon as well as any grass strip, between sidewalk and curb, adjacent to Owner's Lot:

- (a) Except to the extent maintenance is provided by the Association as set forth in Article VII of this Master Declaration, each Owner of a Lot shall maintain all Improvements located thereon in good and sufficient repair and shall keep the Improvements thereon painted or stained, windows glazed, rubbish and debris removed, weeds cut and otherwise maintain the same in a neat and aesthetically pleasing condition. Each Owner shall at all times be responsible to cut or otherwise control the weeds and other noxious plants on his Lot so as to avoid any unsightly condition or hazard or nuisance to the Development.

- (b) All damage to any Improvements shall be repaired as promptly as is reasonably possible.
- (c) A Building which is vacant for any reason shall be kept locked and the windows glazed in order to prevent entrance by vandals. Vacant Buildings and unimproved Lots shall not be exempt from the provisions of this Master Declaration.
- (d) All structures, facilities, equipment, objects and conditions determined by the ACC, in its sole discretion, to be offensive, shall be enclosed within an approved structure or appropriately screened from public view. All trash, debris, garbage and refuse shall be kept at all times in a covered container and all such containers shall be kept on a Lot within an enclosed structure or screened from public view.
- (e) No articles, goods, machinery, materials or similar items shall be stored, kept or maintained on a Lot in the required set-back area along a public or private right-of-way or otherwise kept in the open or exposed to public view.
- (f) Any event or condition on a Lot or adjacent to a Lot if under the control of the Owner, which, in the sole discretion of the ACC, creates an unsightly or blighting influence, shall be corrected, removed or obstructed from public view, as the case may be, by the Owner of the Lot, notwithstanding the fact that such event or condition may not be specifically described and/or prohibited in this Master Declaration. If such event or condition is not promptly corrected by the Owner, the Association shall have the right to correct the same pursuant to subsection (g), below.
- (g) In the event that any Owner shall permit any Improvement, including any 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, the Board, upon fifteen (15) days prior written notice to the Owner of such Lot, shall have the right to correct such condition, and to enter upon said Lot and into any Building or structure thereon, if necessary, for the purpose of correcting or repairing the same, and such Owner shall promptly reimburse the Association for the cost thereof plus a penalty in an amount determined by the Board, not to exceed \$5000.00. The Owner of the offending Lot shall be personally liable, and such Owner's Lot may be subject to a mechanic's lien for all costs and expenses incurred by the Association in taking such corrective action, plus all costs incurred in collecting the amounts due. 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 levied as a Limited Assessment against said Lot and shall be enforceable in the same manner as set forth in Article X of this Master Declaration. Such penalty may be imposed only upon the following conditions: (a) a majority vote by the Board shall be required prior to imposing the monetary penalty; (b) written notice by personal service or certified mail of the meeting during which such vote is to be taken shall be made to the Owner at least thirty (30) days prior to the meeting; (c) in the event the Owner begins resolving the violation prior to the meeting, no monetary penalty shall be imposed so long as the Owner continues to address the violation in good faith until fully resolved; and (d) no portion of any monetary penalty may be used to increase the remuneration of any member of the Board or agent of the Board.

SECTION 5.15. Mining and Drilling. No Lot shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, steam, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth; provided that the Grantor or the Association may, by permit, grant, license or easement, allow the drilling for and the extraction of water for use on the Lot.

SECTION 5.16. Vehicles. The parking, storage and use of all automobiles, vehicles and equipment, including but not limited to automobiles, trucks, trailers, motor homes, campers, boats, tractors, and motorcycles, shall be subject to the provisions set forth in this Section 5.16, below and the Association Rules, which may prohibit or limit the use thereof within the Subdivision, provide parking regulations and other rules regulating the same. Each Owner hereby, and by acceptance of a deed to a Lot, covenants and agrees that the provisions of this Section 5.16, including without limitation those restricting parking on rights of way, shall be fully enforceable, as a private agreement among the Lot Owners, even on public roadways owned and controlled by the Ada County Highway District or other governmental entities.

- (a) **Automobile Parking** - Parking of operative automobiles within any right-of-way is restricted to temporary periods of not more than 72 cumulative hours in any 10-day period (or as otherwise defined in the Association Rules), and that such automobiles are parked so as to not interfere with any other Owner's or Occupant's right of ingress and egress to his or her Lot. Parking of operative automobiles on driveways is permitted provided that any such parking shall not interfere with the full use of any sidewalk and shall otherwise be in compliance with any Association Rules. No inoperative automobile shall be parked or stored at any time anywhere within the Subdivision unless wholly within an enclosed structure. The term "automobile" as used in this Section 5.16 shall include one-ton pickup trucks or smaller.
- (b) **Vehicles and Equipment** - The parking of all other vehicles and equipment, including, without limitation, trailers, motor homes, trucks larger than one-ton pickups, boats, tractors, campers, motorcycles, garden or maintenance equipment, commercial or work trucks and any vehicles other than automobiles (hereafter "Vehicles and Equipment") anywhere within the Subdivision, including in any right-of-way, is strictly prohibited except (i) for a temporary period of not more than 48 cumulative hours within a 10-day period (or as otherwise defined in the Association Rules), or (ii) within a garage or other enclosed structure (doors closed). In no event shall Vehicles and Equipment be parked so as to interfere with the full use of any sidewalk or any other Owner's or Occupants right of ingress and egress to his or her Lot. Vehicles and Equipment which are inoperative shall not be parked or stored at any time anywhere in the Subdivision unless wholly within an enclosed structure.
- (c) **Temporary Construction Vehicles** - The restrictions contained in subsections (a) and (b), above shall not be applicable to the temporary parking of construction vehicles and trailers on a Lot or in the public right of way during the course of actual, uninterrupted construction or remodel of an Improvement on a Lot.

SECTION 5.17. Outbuildings. No barn, shed or any other outbuilding shall be placed, installed or constructed on any Lot unless the location, size, color and materials thereof have been approved, in advance, by the ACC, and at no time shall such be used as a temporary or permanent residence

SECTION 5.18. Garage Doors. Garage doors shall be closed except when open for a temporary purpose.

SECTION 5.19. Exterior Materials and Colors. All exterior materials and colors shall be selected and used which are approved by the ACC and which are compatible with other Buildings on the Lot and on neighboring Lots to the end that all such Buildings will present a coordinated appearance. All exterior finishes and/or colors shall be approved by the ACC and shall be in accordance with the ACC Guidelines.

SECTION 5.20. External Energy Devices. No external energy producing devices including, but not limited to generators and solar energy devices of any kind, shall be constructed or maintained on any Lot without the prior written approval of the ACC.

SECTION 5.21. Mailboxes. No free-standing mailbox shall be constructed or installed on any Lot, it being the requirement of the US Postmaster at the date of this Master Declaration that all mailboxes must be centrally located.

SECTION 5.22. Signs. No commercial billboard or advertising shall be displayed to the public view on or from any Lot. Owners may advertise a dwelling unit and Lot for sale or rent by displaying a single, neat, reasonably sized "For Sale" or "For Rent" sign thereon provided it complies with the ACC Guidelines and is approved by the ACC which approval may regulate, among other things, the size and display location. Signs advertising the name of the builder and the name of the institution providing financing therefor may be displayed on a Lot during construction of the Improvements. Lighted, moving or flashing signs for any purposes are prohibited. Directional signs may be used to give directions to traffic or pedestrians or give special instructions. Any directional or identification sign within the Property shall be permitted, provided the same is approved by the ACC prior to installation. Notwithstanding the foregoing, the ACC shall have the right to adopt ACC Guidelines with respect to signs allowed within the Subdivision, which ACC Guidelines, if adopted by the ACC, shall regulate signs within the Subdivision and shall control over the specific provisions of this Section.

SECTION 5.23. Subdividing. No Lot may be further subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written consent of the ACC; provided, however, that nothing herein shall be deemed to prevent an Owner from transferring or selling any Lot to more than one person to be held by them as tenants in common, joint tenants, tenants by the entirety, or as community property, or require the approval of the ACC therefore. In addition, the conveyance of an insignificant portion(s) of a Lot to the Owner of the Lot which abuts said conveyed portion for the purpose of correcting a common boundary or other similar purpose, shall not be deemed to be a subdividing of a Lot within the prohibition contained herein.

SECTION 5.24. Fences. No fence, wall, hedge, high planting, obstruction or other visual or privacy barrier (hereafter collectively "fence") of any kind shall be constructed on a Lot unless the plans and specifications therefore, including the location, design, material and color thereof, have been approved in writing by the ACC prior to the construction or installation. The type, design, material and finish of all privacy fences shall be as specified in the ACC Guidelines, it being the intent of the Grantor that all such privacy fencing shall present, to the extent reasonably practicable, a uniform appearance throughout the Property. All fences and/or walls constructed on a Lot shall be in compliance with the ordinances and requirements of the City of Eagle, Idaho, as may be applicable to the Property.

In addition to the requirements of the ACC Guidelines applicable to fences, fencing, all fences and walls shall be subject to the following restrictions:

- (a) No fence or wall shall be permitted to be constructed or installed on the Common Area or on any portion of a berm constructed by the Grantor within the Property; provided that if any fencing is constructed adjacent to Common Area open space and corner lots, such fencing shall be open style such as capped wrought iron, or capped extruded aluminum. Solid wood or vinyl fencing may be allowed by the ACC generally along the southern boundary of the subdivision which fence may be replaced with an open style fence by the Grantor as some future date.

- (b) Subject to the more restrictive of the ordinances of the City of Eagle, Idaho or this Master Declaration, unless otherwise approved by the ACC, fences shall not project beyond the front setback of the principal Building on the Lot except for a Lot(s) where the Dwelling is adjacent to common area in which case the ACC may approve or require a fence of a height, design, materials, location and color approved or specified by the ACC. Unless otherwise approved by the ACC, no fence shall be higher than the maximum permitted in the ACC Guidelines.
- (c) All fences and walls shall be constructed and installed and maintained in good appearance and condition at the expense of the Owner of the Lot on which they are located and all damaged fencing and walls shall be repaired or replaced to original design, materials and color within a reasonable time after said damage occurs.
- (d) No fence or wall shall interfere with the use and enjoyment of any easement reserved or granted in this Master Declaration, in a separate recorded instrument or shown on the recorded Plat(s) of the Property.
- (e) No fence, wall, hedge, high planting, obstruction or barrier shall be allowed if, because of the design, material, color, nature, qualities or characteristics thereof, the same would have a noxious or nuisance effect upon neighboring Lots as determined by the ACC. It is not the intent of this subsection (e) to create a view easement on or across any Lot ("Affected Lot") in favor of any Lot which is adjacent to or in the vicinity of the Affected Lot.
- (f) All fences constructed or installed on the interior of a Lot, e.g. dog runs, etc., which are visible from ground level from an adjoining Lot or from any street, shall be subject to prior approval by the ACC.

SECTION 5.25. Irrigation Water. The Grantor has or will construct within the Subdivision a pressurized irrigation system (hereafter "Irrigation System") to provide water to each Lot for the irrigation of the landscaping on each Lot, which Irrigation System will be stubbed onto each Lot. After the construction/installation of the extension of the Irrigation System on a Lot, neither the Grantor nor the Association shall have any obligation to maintain, repair or replace any portion thereof which is extended on a Lot beyond the connection/shut-off valve located on the Lot installed by the Grantor, such obligation to maintain, repair or replace the same being that of the Owner of the Lot on which it is extended. The Association shall have the obligation to maintain, repair or replace the portions of the Irrigation System which constitute the "main" distribution lines to and including the connection/shut-off valve located on each Lot within the Subdivision, provided, that all costs paid or incurred by the Association for any maintenance, repair or replacement of a "main" distribution line which is required because of the negligence or intentional act of an Owner or Occupant of a Lot, or an agent or contractor of such Owner or Occupant, together with interest, related expenses, including attorneys' fees, shall be billed to the Owner of the Lot and, if not paid in full within ten (10) days, shall be assessed as a Limited Assessment as defined in Section 9.04, below, and collected as set forth in Article X of this Master Declaration.

The Association shall have the power to promulgate rules and regulations regarding the use and operation of the Irrigation System, including, but not limited to, the days and times of delivery or use of water to each Lot or the temporary interruption or rationing of irrigation water to be delivered to the Lots, which rules and regulations shall be binding upon each Owner. Each Owner, by the acceptance of a deed to a Lot within the Subdivision, acknowledges that neither the Grantor nor the Association shall be responsible for any interruption or rationing of the delivery of irrigation water to such Owner's Lot if such interruption or rationing results from a cause or condition outside the control of the Grantor and/or the Association, including, but not limited to, an insufficient

amount of irrigation water being delivered to the Subdivision or the temporary failure of the equipment or facilities of the Irrigation System.

It is understood that the Grantor or the Association shall have the right to enter into a contract with the owner(s) of real property adjacent to or in the vicinity of the Subdivision (hereafter "Adjacent Property") for the use of the Irrigation System to provide irrigation water to such Adjacent Property, such contract to be upon terms and conditions as shall be approved by the Association and, so long as the Grantor owns a Lot within the Subdivision, the Grantor. Any payment by the owner(s) of the Adjacent Property to the Grantor or the Association for a portion of the initial construction/installation costs of the Irrigation System paid by the Grantor shall be the property of the Grantor but any payment to the Grantor or the Association for continuing operating expenses of the Irrigation System shall be the property of the Association and shall be used, to the extent available, to reduce the continuing operating expenses of the Irrigation System which are to be included in the Regular Assessments levied by the Association pursuant to Section 9.02, below.

SECTION 5.26. Landscaping. The following provisions shall govern the landscaping of Lots within the Property as well as the grass strip, between sidewalk and curb, adjacent to Owner's Lot:

- (a) The Owner shall prepare a landscape plan and shall submit the same to the ACC as provided in Section 11.07(c), below. The ACC shall approve said landscape plan prior to the installation and/or construction of landscaping on a Lot. Landscaping of a Lot shall be in accordance with the approved plan.
- (b) All required landscaping on a Lot shall be installed within thirty (30) days after substantial completion of the Building on the Lot, with a reasonable extension allowed for weather.
- (c) The ACC Guidelines shall set forth the initial minimum landscaping required on each Lot.
- (d) Each Owner shall maintain all landscaping improvements located on such Owner's Lot and in the landscape strip between the curb and sidewalk adjacent to such Owner's Lot in a competent and attractive manner, including the watering, mowing, fertilizing and caring for shrubs and trees in perpetuity.

SECTION 5.27. Storm Drainage.

- (a) **Ada County Highway District Storm Water and Drainage System.** Lots 1, 5, and 9 Block 4 and Lot 1, Block 5, or portions thereof are servient to and contain an Ada County Highway District storm water drainage system. These lots are encumbered by that certain First Amended Master Perpetual Storm Water Drainage Easement recorded on November 10, 2015 as Instrument No. 2015-103256 records of Ada County, Idaho, which is incorporated herein by this reference as if set forth in full (the "Master Easement"). The Master Easement and storm water drainage system are dedicated to the Ada County Highway District pursuant to Idaho code Section 42-2302. The Master Easement is for the operation and maintenance of the storm water drainage system. Said easement shall remain free of all encroachments and obstructions (including fences and trees) which may adversely affect the operation and maintenance of the storm drainage facilities.
- (b) **Operation and Maintenance.** Operation and maintenance of the storm water drainage facilities shall be governed by the Operation and Maintenance Manual of the Storm Water

Drainage System in Williamson River Ranch Subdivision, which manual may only be modified with the written approval of the Ada County Highway District.

- (c) **Approval of Amendments.** Any amendment of this Declaration, the covenants, conditions and restrictions contained herein, or the manual referred to in Paragraph (b), above, having any direct impact or affect on the Ada County Highway District's storm water drainage facilities shall be subject to prior review and approval by the Ada County Highway District.

SECTION 5.28. Adoption of ACC Guidelines. The Grantor, or in the event of the Grantor's failure to do so, the ACC, shall have the power to promulgate and, thereafter amend from time-to-time, ACC Guidelines relating to the planning, construction, alteration, modification, removal or destruction of Improvements within the Property deemed necessary or desirable by the Grantor, or the ACC, as the case may be, to carry out the purposes of this Master Declaration. All ACC Guidelines shall be consistent with the provisions of this Master Declaration. **It is the responsibility of each prospective Owner to obtain from the Association and review the ACC Guidelines then in effect prior to the purchase of a Lot.**

SECTION 5.29. Exemption of Grantor. Nothing herein contained shall limit the right of the Grantor to subdivide or re-subdivide any Lot or portion of the Property or to grant licenses, reservations, rights-of-way or easements with respect to Common Areas to utility companies, public agencies or others; or to complete excavation, grading and development to or on any Lot or other portion of the Property owned or controlled by the Grantor, or to alter the foregoing and its development plans and designs, or construct additional Improvements as the Grantor deems advisable in the course of development of the Subdivision. This Master Declaration shall not limit the right of the Grantor at any time prior to acquisition of title to a Lot by an Owner to establish on that Lot additional licenses, restrictions, reservations, rights-of-way and easements to itself, to utility companies and to others, as may from time-to-time be reasonably necessary. The Grantor need not seek or obtain ACC approval of any Improvements constructed or placed within the Property by the Grantor in connection with the development of the Subdivision, but this exemption shall not apply to a Building(s) constructed by the Grantor on a Lot owned by the Grantor. The Grantor shall be entitled to the non-exclusive use, without charge, of any Common Area within the Subdivision in connection with the marketing of the Lots therein.

SECTION 5.30. Rental/Lease Restrictions. Any lease, rent, or occupation of a Lot by any persons other than the Owner thereof, shall comply with the following:

- (a) **General Rental Restrictions.** An Owner may lease a Lot to a single housekeeping unit for residential purposes so long as the initial term of such lease is for a term of six (6) months or longer; provided, however, such lease shall be subject to the provisions of applicable law (including, but not limited to, the Fair Housing Act), this Master Declaration, and all rules, regulations, and Bylaws adopted by the Association, ACC, or any Sub-Association. For purposes of this Section, a "single housekeeping unit" shall mean one or more individuals living together sharing household responsibilities and activities which may include, sharing expense, chores, eating evening meals together and participating in recreational activities and having close social, economic and psychological commitments to each other, and (b) the term "lease" shall mean any rental, subletting or conveyance (by any means whatsoever) of a right to occupy any Lot (or portion thereof) to any individual who is not a member of such Lot Owner's family (i.e., related to the Owner by blood, marriage or adoption). An Owner who leases a Lot shall be fully responsible to the Association and the other Owners for the conduct and activities of such Owner's tenant(s) as if such Owner were the tenant; and,

- (b) **Restrictions on Lease Agreements.** Any lease agreement for a Lot shall be in writing, shall provide that the lease is and shall be subject in all respects to the provisions of this Master Declaration, and shall provide that the failure by any Occupant to comply with the terms of this Master Declaration shall be a default under the lease. Prior to the commencement of the term of a lease, the Owner of the Lot to be leased shall notify the Board, in writing, of the name or names of the tenants and the time during which the lease term shall be in effect. If an Owner leases a Lot in violation of the restrictions set forth in this Section 5.31, or otherwise fails to comply with this Section 5.31, such Owner shall be in violation of this Master Declaration, and shall indemnify, defend and hold harmless the Association and the other Owners from and against any and all claims, loss or damage arising from or related to such violation.

SECTION 5.31. Development in Floodway. Other than any pathways approved by the City of Eagle, Idaho, no Improvements or other development is permitted in the floodway as shown on the applicable Flood Insurance Rate Map unless certification by a registered professional hydraulic engineer is provided demonstrating that encroachments shall not result in any increase in flood levels during the occurrence of the base flood discharge and uses within the floodway are limited to those which are required for public necessity.

SECTION 5.32. Conservation Easement. The Property is subject to the provisions of that certain Deed of Conservation Easement made on June 29, 2018 by and between Grantor and the City of Eagle, recorded as Instrument No. 2018-070172, records of Ada County, Idaho, the terms and restrictions of which are incorporated herein by this reference.

SECTION 5.33. Pathways.

(a) **Association Owned:** Grantor may elect to provide one or more pathways to be constructed by Grantor and owned and operated by the Association or a local Association as part of the Common Area for which the said Association may be responsible. The location of the pathways may be designated in a separate instrument or on the plat of, or in an amendment or supplemental declaration applicable to, that portion of the Property on which it is to be located. Any such pathways and the property upon which they are located shall, for all purposes as are contained in this Declaration, be treated as if it were a part of the Common Area, Notwithstanding anything to the contrary in this Declaration, Grantor or the Board of Directors of the responsible Association may dedicate or transfer all or any part of any designated pathway to the city of Eagle or other governmental entity for such purposes and subject to such conditions as may be agreed upon.

(b) **City Operated:** Grantor may provide one or more pathways to be constructed by Grantor and operated and maintained by the City of Eagle as provided in Eagle City Code Section 9-4-1-6:E.2, as the same may be amended or replaced from time to time. The location of any such pathways may be designated in a separate instrument or on the plat of, or in an amendment or supplemental declaration applicable to, that portion of the Property on which it is to be located. Any such pathway dedicated to the City of Eagle shall be located in an easement or easements providing public access to, over and across such pathways, the terms and conditions of which shall be set forth in such an amendment or supplemental declaration or separate instrument.

ARTICLE VI

WILLIAMSON RIVER RANCH OWNERS ASSOCIATION, INC.

SECTION 6.01. Organization of Association. Williamson River Ranch Owners Association, Inc. shall be organized by the Grantor as an Idaho non-profit corporation and shall be charged with the duties and vested with the powers prescribed by law and set forth in its Articles of Incorporation, its By-Laws and this Master Declaration. Neither said Articles nor said By-Laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration.

SECTION 6.02. Sub-Association(s). Until completion of the Development, the Grantor shall have the sole and absolute right to create one (1) or more Sub-Associations for purposes not inconsistent with this Master Declaration including, but not limited to, the following which shall be provided for in a Supplemental Declaration:

- (a) Acquire and improve any Lot, tract, parcel or portion of the Subdivision.
- (b) Promulgate rules and regulations governing Common Area owned by or under the control of the Sub-Association.
- (c) Determine the services, in addition to those furnished by the Association, which are to be furnished to or for the benefit of the Members of the Sub-Association.
- (d) Assess and certify to the Association for collection the Regular, Special and Limited Assessments required to meet the estimated cash needs of the Sub-Association.

The Articles of Incorporation, By-Laws, rules, regulations and the Supplemental Declaration relating to a Sub-Association shall not be inconsistent with the terms and provisions of this Master Declaration and any inconsistency shall be governed by this Master Declaration. Unless earlier consented to in writing by the Grantor, after completion of the Development of the Subdivision, Sub-Associations may be formed by any Owner or group of Owners with the approval of the Board and by satisfying all necessary legal requirements including, but not limited to, the preparation, execution and recording of a Supplemental Declaration.

Except as provided to the contrary in this Master Declaration or unless specifically provided to the contrary in the Supplemental Declaration relating to a Sub-Association, the provisions of this Article shall be applicable to and shall regulate each Sub-Association.

SECTION 6.03. Relationship Between Association and Sub-Associations. It is the purpose and intent of the provisions of this Master Declaration that the Association shall be charged with and responsible for the management of all activities in the Subdivision including, in addition to all other duties and responsibilities set forth herein, the following:

- (a) The approval of all rules and regulations of each Sub-Association and providing of assistance to a Sub-Association in the enforcement thereof; and
- (b) The levy and collection of Assessments of each Sub-Association which have been certified by the Sub-Association Board to the Association.

Nothing herein contained shall restrict or prohibit a Sub-Association from owning, in its own name, Common Area or other property related thereto, the use of which shall be restricted to Members of that Sub-Association. However, it is the intent of this Master Declaration that any such Common Area owned by a Sub-Association, the

use and maintenance thereof and the activities of the Sub-Association, shall be consistent with and in furtherance of the Project Objectives and the terms and provisions of this Master Declaration to assure that the whole of the Subdivision is developed and approved as a quality residential community.

SECTION 6.04. Members. Each Owner (including the Grantor) of a Lot by virtue of being such an Owner and for so long as such ownership is maintained shall be a Member of the Association and no Owner shall have more than one (1) membership in the Association, but shall have such voting rights as hereafter set forth. A membership in the Association shall not be assignable, except to the successor-in-interest of the Owner and a membership in the Association shall be appurtenant to and inseparable from the Lot owned by such Owner. A membership in the Association shall not be transferred, pledged or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer of a membership shall be void and shall not be reflected on the books of the Association.

SECTION 6.05. Classes of Membership. The Association (and each Sub-Association) shall have two (2) classes of membership:

CLASS A. Class A Members shall be all Owners of Lots within the Property, with the exception of the Grantor. The Class A Members shall be non-voting Members of the Association until such time as voting rights of the Class B Member(s) expire, as provided below. Upon the Class A Members becoming entitled to voting rights, each Class A Member shall be entitled to one (1) vote for each Lot owned and when more than one (1) person holds an interest in a Lot, all such persons shall be Class A Members but the vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot owned by a Class A Member(s).

CLASS B. Class B Members shall be the Grantor, and its successor(s) in title to a Lot(s), which Lot(s) is held by such successor in an unimproved condition (i.e., without a residential dwelling thereon) for resale to a builder or other person for the purpose of constructing thereon a residential dwelling, and to which successor the Grantor has specifically granted such Class B voting rights in writing; provided, that if such voting rights are not so granted, such successor shall be considered to be a Class A Member with respect to each Lot owned. The Class B Members shall be entitled to one (1) vote for each Lot owned. The Class B membership and the Class B voting rights shall be converted to Class A membership on the happening of the earlier of the following events: (i) six months after the Grantor (or its successors in title to whom the Grantor has granted the Class B voting rights, as above provided) no longer owns a Lot within the Subdivision; (ii) January 1, 2038; or (iii) when Grantor voluntarily relinquishes such voting rights.

SECTION 6.06. Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with the Articles and By-Laws, as the same may be amended from time-to-time.

SECTION 6.07. Powers of Association. The Association shall have all powers of a non-profit corporation organized under the laws of the State of Idaho subject only to such limitations as are expressly set forth in the Articles, the By-Laws or this Master Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under the Articles, By-Laws or this Master Declaration, and to do and perform any and all acts which may be necessary or proper for, or incident to, the proper management and operation of the Common Areas and the performance of other responsibilities including, but not limited to, the following:

- (a) **Assessments.** The power to levy Regular, Special, and/or Limited Assessments on the Owners and/or Lots and to enforce payment thereof in accordance with the provisions of this Master Declaration.
- (b) **Right of Enforcement.** The power and authority from time-to-time in its own name, on its own behalf, or on behalf of any Owner(s) who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Articles, By-Laws, Master Declaration, ACC Guidelines or any Association Rules, and to enforce by mandatory injunction or otherwise, all provisions thereof.
- (c) **Assessment of Penalty(s).** The Association, acting through the Board, shall have the right to impose a monetary penalty, not to exceed the sum of \$100.00 per day (except as otherwise provided in this Master Declaration), against an Owner who has caused or permitted a violation of any of the restrictions, conditions or covenants contained herein, provided that such penalty may be imposed only upon the following conditions: (i) a majority vote by the Board shall be required prior to imposing the monetary penalty; (ii) written notice by personal service or certified mail of the meeting during which such vote is to be taken shall be made to the Owner at least thirty (30) days prior to the meeting; (iii) in the event the Owner begins resolving the violation prior to the meeting, no monetary penalty shall be imposed so long as the Owner continues to address the violation in good faith until fully resolved; and (iv) no portion of any monetary penalty may be used to increase the remuneration of any member of the Board or agent of the Board. A monetary penalty so imposed on an Owner shall be enforceable as a Limited Assessment if such is not paid within the time deemed reasonable by the Board. The delay or failure by the Association to impose a monetary penalty on an Owner pursuant hereto shall not be deemed to be a waiver of the right of the Association to enforce the restrictions, conditions and covenants of this Master Declaration against said Owner with respect to such a violation(s) or to impose a monetary penalty with respect to such or any other violation(s).
- (d) **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.
- (e) **Liability of Board Members and Officers.** Neither any member of the Board nor any officers of the Association or any member of the ACC shall be personally liable to any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Board, its officers, a manager or any other representative or employee of the Association, or the ACC, provided that said Board Member, officer, manager or other person has, upon the basis of such information as was available, acted in good faith without willful or intentional misconduct.
- (f) **Association Rules.** The power to adopt, amend and repeal such Association Rules and regulations as the Association deems reasonable. Such Association Rules shall govern the use by Owners and Occupants or any other person of Common Areas and other property owned or controlled by the Association; provided, however, the Association Rules shall not discriminate among Owners and shall not be inconsistent with the Articles, By-Laws or this Master Declaration. A copy of Association Rules as they may from time-to-time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and Occupant. Upon such mailings said Association Rules shall have the same force and effect as if they were set forth in and were part of this Master Declaration. In the event of any conflict between an Association rule and any provision

of the Articles, By-Laws or this Master Declaration, the conflicting provisions of the Association Rules shall be deemed superseded to the extent of any such inconsistency.

- (g) **Emergency Powers.** The Association, or any person authorized by the Association, shall have the right, but not the obligations, to enter onto any Lot or into any Building or other structure on a Lot 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 it is responsible. Such entry shall be made with as little inconvenience to the Occupants as practicable and the Association shall repair any damage caused thereby unless said entry was necessitated by a condition caused by the Owner or Occupant.
- (h) **Licenses, Easements and Rights-of-Way.** The power to grant and convey to any third party such licenses, easements, rights-of-way or fee title in, on, through, under or of the Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment thereof and for the preservation of health, safety, convenience and welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:
 - (i) Underground lines, cables, wires, conduits and other devices for the transmission of any utility or other service.
 - (ii) Public sewers, storm drains, water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes.
 - (iii) Any similar public or quasi-public improvements or facilities.
- (i) **Fiscal Year.** The Board shall have the right to elect a fiscal year for the Association instead of a calendar year for budget, Assessment and accounting purposes.

SECTION 6.08. Duties of Association. In addition to the powers delegated to it by the Articles, By-Laws and this Master Declaration, without limiting the generality thereof, the Association or its authorized agents, if any, shall have the obligation to conduct all business affairs of common interest to all Owners and to perform each of the following duties:

- (a) **Operation and Maintenance of Common Areas.** As more fully set forth in Article VII of this Master Declaration, perform, or provide for the performance of, the operation, maintenance and management of the Common Areas and any Improvements located thereon in a competent and attractive manner, including the watering, mowing, fertilizing and caring for shrubs and trees in perpetuity and the repair and replacement of property or Improvements thereon damaged or destroyed by casualty loss and all other property owned or controlled by the Association. The Association shall maintain any riparian vegetation and wildlife habitat located within the riparian zone, if any, in Lot 1, Block 2 of the Subdivision.
- (b) **Taxes and Assessments.** Pay all real and personal property taxes and assessments separately levied against the Common Areas owned by the Association or against the Association and/or any property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring payment is posted prior to the sale or the disposition of any property to satisfy the payment of such taxes. In addition, the Association shall pay all other taxes, federal, state or local, including income or corporate taxes, levied against the

Association in the event that the Association is denied the status of a tax exempt corporation.

- (c) **Utilities.** Acquire, provide and/or pay for water, sewer, refuse collection, electrical, telephone, gas and other necessary services for the Common Areas owned by the Association.
- (d) **Insurance.** Obtain, from reputable insurance companies authorized to do business in the State of Idaho and maintain in effect the following policies of insurance:
 - (i) Fire insurance, including those risks embraced by coverage of the type now known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreement amount basis for the full insurable replacement value of all Improvements, equipment, fixtures and other property located within the Common Areas owned by the Association, including such equipment, fixtures and other property not located in the Common Areas, if the same are used or necessary for the use of the Common Areas or easement areas under the control of the Association.
 - (ii) Comprehensive public liability insurance insuring the Association, the Board, officers, the Grantor and the individual Owners and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Common Areas owned by the Association or easement areas under the control of the Association. The limits of liability of such coverage shall be as determined by the Board of Directors.
 - (iii) If elected by the Board, full coverage directors and officers liability insurance in an amount determined by the Board.
 - (iv) Notwithstanding any other provision herein to the contrary, the Association shall continuously maintain in effect such casualty, liability and other insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by Federal National Mortgage Association ("FNMA"), the Government National Mortgage Association ("GNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"), so long as any of which is a Mortgagee or Owner of a Lot within the Subdivision, except to the extent such coverage is not available or has been waived in writing by FNMA, GNMA or FHLMC, as applicable.
 - (v) Such other insurance, including workmen'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 Association's functions or to insure the Association against any loss from malfeasance or dishonesty of any person charged with the management or possession of any Association funds or other property.
 - (vi) The Association shall be deemed a trustee of the interests of all Owners in any insurance proceeds paid to it under such policies, and shall have full power to receive their interests in such proceeds and to deal therewith.

- (vii) Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Association.
- (e) **Administration Fees - Costs.** Pay to the Grantor, so long as the Grantor manages the Association, all actual out-of-pocket costs paid or incurred by the Grantor in the management and administration of the affairs of the Association plus an administrative fee equal to ten percent (10.0%) of the total annual income received by the Association, which administrative fee shall be compensation to the Grantor for the services provided to the Association.
- (f) **Rule Making.** Make, establish, promulgate, amend and repeal Association Rules.
- (g) **Architectural Control Committee.** Subject to the provisions of Section 11.02, below, appoint and remove members of the ACC, all subject to the provisions of this Master Declaration.
- (h) **Enforcement of Restrictions and Rules.** Perform such other acts, whether or not expressly authorized by this Master Declaration, as may be reasonably necessary to enforce any of the provisions of this Master Declaration, the ACC Guidelines and the Association Rules.

SECTION 6.09. Budgets and Financial Statements. Financial statements for the Association shall be regularly prepared and copies made available to each Member as follows:

- (a) A pro forma operating statement (budget) for each fiscal year shall be prepared and made available not less than thirty (30) days after the beginning of each fiscal year.
- (b) Within ninety (90) days after the close of each fiscal year, the Association, or its agent, shall cause to be prepared and made available to each Owner, a balance sheet as of the last day of the Association's fiscal year and an annual operating statement reflecting the income and expenditures of the Association for that fiscal year.

The failure of the Association to prepare and make available the budget or the annual balance sheet and/or the annual operating statement within the times above provided shall not relieve or release any Owner from the obligation to pay, when due, all regular, special and limited assessments due and payable to the Association.

SECTION 6.10. Effective Date. The provisions of this Article VI shall become operative upon the creation by the Grantor of the Association and the conveyance to said Association of fee simple title to the Common Area Lots within the Subdivision. Until the creation and organization of the Association, the Grantor shall have the right to exercise all of the powers of the Association set forth in this Master Declaration.

SECTION 6.11. Dissolution. The Association may not be dissolved, nor may any of its maintenance obligations as set forth in this Master Declaration be modified, except with the express consent of the City of Eagle.

ARTICLE VII

MAINTENANCE OBLIGATIONS OF ASSOCIATION

SECTION 7.01. Ownership of Common Area Lots and Irrigation System. At a date not later than the date that a Lot within the Subdivision is improved with a residential dwelling unit and occupied, the Grantor shall convey the Common Area Lots within the Subdivision to the Association and transfer to the Association title to any Improvement, equipment, property or system thereon or related thereto, including the Irrigation System within the Subdivision, reserving to the Grantor the right to recover a portion of the initial costs of the construction/installation of the Irrigation System if any other property is served thereby, as provided in Section 5.25, above. The initial Common Area to be owned, operated and maintained by the Association is legally described as follows:

Lot 1 of Block 1, Lot 1 of Block 2, Lot 1 of Block 3, Lots 1, 5 and 9 of Block 4 and Lot 1 of Block 5 of Williamson River Ranch Subdivision No. 1.

SECTION 7.02. Duty to Maintain Pathways and Landscaping. The Association shall maintain all pathways and landscaping improvements located on the Common Area and in the landscape strip between the curb and sidewalk adjacent to the Common Area in a competent and attractive manner, including the watering, mowing, fertilizing and caring for shrubs and trees in perpetuity.

SECTION 7.03. Duty to Maintain Clubhouse and Pool. Operate and maintain in good order and repair, and in accordance with the provisions of any applicable governmental laws, ordinances, rules and regulations, the clubhouse, pool and other recreational facilities and improvements constructed or installed on the Common Area.

SECTION 7.04. Duty to Maintain Lot 3, Block 1. Lot 3, Block 1 of the Subdivision is a non-buildable parcel to be owned by Grantor or its successor and reserved for future development which may include incorporation into a building lot. Until such time as the said Lot is developed for such purposes, the Association shall maintain the said Lot, at the Association's expense, as if it were a part of the Association's Common Area.

SECTION 7.05. Duty to Maintain Irrigation System Facilities. As more fully set forth in Section 5.25, above, the Association shall be responsible for all repairs, replacements and maintenance of the Irrigation System "main" distribution lines to and including the connection/shut-off valve located on each lot within the Subdivision, which repairs, replacements and maintenance shall be promptly performed when necessary to the end that the Irrigation System will at, all reasonable times, be in an operable condition.

SECTION 7.06. Ada County Highway District License Agreement. Grantor, as "Licensee", has entered into a Temporary License Agreement dated May 3, 2018, recorded instrument number 2018-039877, records of Ada County, Idaho (the "License") with the Ada County Highway District ("ACHD") which permits the Licensee to install certain landscaping improvements in ACHD's right-of-way adjacent to or within the Subdivision, subject to the terms and conditions stated therein. Among other requirements, the License requires the Licensee to maintain all improvements placed in the right-of-way, to remove, relocate and/or modify the improvements if ACHD so requires, and to hold harmless and defend ACHD against all claims arising out of Licensee's use of the right-of-way or its failure to comply with the terms of the License. Grantor hereby assigns to the Association all of Grantor's rights, duties and obligations under the License, including, without limitation, the obligations described in this subsection, and the Association shall assume and perform all such rights, duties and obligations from and after the date this Declaration is recorded in the office of the Ada County Recorder. In furtherance of the foregoing, the Association shall in all ways cooperate with the Grantor and execute, acknowledge and deliver any and all such further documents and instruments and do and perform any and all

other acts as may be necessary to effect and carry out the said assignment and assumption, including, without limitation, executing any documents and instruments required by ACHD for such purposes.

SECTION 7.07. Storm Water Drainage System. Perform, or provide for the performance of, the maintenance of the storm water drainage system as provided in Sections 5.12 and 5.27, above.

SECTION 7.08. Identification Signs. Maintain, repair and replace all permanent entry and special identification signs for the Subdivision, whether the same be located within or without the boundaries of the Subdivision.

SECTION 7.09. Cluster Mailboxes. Maintain, repair or replace, if required, the cluster mailboxes located in, on, or at the Association's clubhouse or elsewhere within the Subdivision. Grantor reserves the right to add additional mailbox clusters in, on or at the Association's clubhouse or elsewhere in the Subdivision, including in the Association's Common Area, as additional property is annexed to the Subdivision.

SECTION 7.10. Fences. Maintain, repair or replace, if required, the fencing constructed/installed by the Grantor or the Association on or adjacent to the Common Areas within the Subdivision, and any fencing constructed/installed by the Grantor on a Lot(s) which is (are) not adjacent to a Common Area(s) shall be maintained, repaired or replaced, if required, by the Owner of the Lot on which such fencing is located. The cost of maintaining, repairing, or replacing a fence to its original condition that is adjacent to Common Areas on one side and an Owner on the other shall be borne equally by the HOA and the adjacent Owner.

SECTION 7.11. Other Maintenance Obligations. The Association shall be obligated to perform any other operation, maintenance, repair and replacement duties required of it by this Master Declaration or by any other agreement, license or other instrument made by or for the Association, including, without limitation, any agreement, license or other instrument made or entered into with Grantor.

SECTION 7.12. Liability for Damage. In the event that any maintenance, repair or replacement of all or any portion of the any Improvements located on a Common Area, the drainage swales, if any, located thereon within the public right(s)-of-way within the Subdivision, the Irrigation System, the clustered mailboxes or any other Improvement, property or facility required by this Master Declaration or by any other agreement, license or other instrument made by or for the Association to be maintained, repaired or replaced by the Association, is performed by the Association as a result of the willful or negligent act of an Owner or Occupant, or a family member, guest or invitee of an Owner or Occupant, the cost of such maintenance, repair or replacement shall be reimbursed by said Owner to the Association and/or the Association may assess the cost of the same against said Owner and the Owner's Lot as a Limited Assessment, as provided in this Master Declaration.

SECTION 7.13. Cost of Maintenance, Repairs and Replacement. The cost of the maintenance, repairs and replacements of the Improvements located on a Common Area, including the drainage swales, if any, located thereon within the public right(s)-of-way within the Subdivision, the Irrigation System, the clustered mailboxes or any other Improvement, property or facility required by this Master Declaration or by any other agreement, license or other instrument made by or for the Association to be maintained, repaired or replaced by the Association and the continuing operational expenses in connection therewith, including taxes, shall be paid by the Association from the funds of the Association obtained by Regular, or Special Assessments against the Lots within the Subdivision which are served thereby. Such costs and expenses (hereafter "cost and expenses") shall be apportioned among the Lots within the Subdivision served thereby on an equal basis. In the event the Association does not have adequate funds to pay the cost and expenses deemed by the Association to be required, the deficiency shall be assessed to each Lot, on an equal basis, as a Special Assessment. The decision as to what costs and expenses are required with respect to the drainage facilities and the Irrigation System and the timing of the payment thereof shall rest solely with the Board.

SECTION 7.14. Easement for Maintenance. There is hereby reserved to the Association, its contractors and agents, an easement to enter upon the Lots within the Subdivision for the purpose of accomplishing all maintenance, repair and replacement rights and duties of the Association set forth in this Master Declaration.

SECTION 7.15. Reserve for Maintenance, Repair and Replacement. The Association shall have the right to establish a reserve account for the payment of the costs and expenses as defined in Section 7.13, above, and for the purpose of funding the same, the Board shall have the right to assess each Lot an amount to be included in a Regular, or Special Assessment. The amount of said Regular, or Special Assessment so determined for the purpose of funding the maintenance, repair and replacement reserve account shall be determined by the Board. The Board shall have the right to place all funds collected for the maintenance, repair and replacement reserve account in an interest-bearing account in an appropriate financial institution.

ARTICLE VIII

ASSOCIATION PROPERTIES

SECTION 8.01. Use. Each Owner of a Lot, its family, licensees, invitees, lessees and contract purchasers who reside on the Lot, shall be entitled to use the Association properties and the properties of any Sub-Association of which the Owner is a Member subject to the following:

- (a) **Articles, Etc.** The provisions of the Articles and By-Laws of the Association and any Sub-Association applicable to the Lot, this Master Declaration and applicable Supplemental Declaration and the rules, regulations and standards promulgated thereunder. Each Owner, in using the Association or Sub-Association properties, shall comply with the same.
- (b) **Suspension of Rights.** The right of the Association or Sub-Association to suspend the rights to use properties owned by it (except roads and other means of access by an Owner) for any period during which any Assessment against that Owner's Lot remains unpaid; and for any infraction of published rules and regulations of the Association or Sub-Association.
- (c) **Dedications.** The right of the Association or Sub-Association to dedicate or transfer all or any part of properties owned by it to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed by the Board, so long as said transfer does not diminish the security of the Mortgagees on any Lot or Common Area in the Subdivision.
- (d) **Mortgage or Conveyance of Common Area.** Except as provided in subsection (c), above, after the Class A Members become entitled to voting rights, no portion of the Common Area shall be mortgaged or conveyed by the Association without the prior approval of at least two-thirds (2/3rds) of the Class A Members, which approval may be obtained in writing or by a vote of the Class A Members at a meeting called for such purpose and, with respect to such meeting, the provisions concerning notice and quorum in Section 9.11, below, shall apply.

SECTION 8.02. Damages. An Owner shall be liable for any damages to the Common Area which may be sustained by reason of the negligence, reckless or intentional misconduct of said Owner or of its family, licensees, invitees, lessees or contract purchasers, 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 levied as a Limited Assessment against that Owner's Lot and may be collected as provided in Article X, below.

SECTION 8.03. Damage and Destruction. In the case of damage by fire or other casualty to property owned by the Association or any Sub-Association, insurance proceeds to compensate for damage and destruction shall be paid to the Association or the Sub-Association, as the case may be, and the recipient thereof shall thereafter determine what repair or reconstruction shall be undertaken.

SECTION 8.04. Condemnation. If at any time any part of a Common Area or other property owned by the Association or any Sub-Association be taken or condemned by any public entity or sold or otherwise disposed of in lieu thereof, all compensation, damages or other proceeds shall be paid to the Association or the Sub-Association, whichever entity owns said property. The recipient of said payment shall then use all or a portion of the funds to pay obligations secured by any lien on the property taken and thereafter may determine to use the funds to (i) improve other properties of the Association or Sub-Association; (ii) acquire and/or improve additional properties for the Association or Sub-Association; or (iii) use such proceeds to reduce future Assessments.

ARTICLE IX

ASSESSMENTS

SECTION 9.01. Covenant to Pay Assessments. Each Owner hereby, and by acceptance of a deed to a Lot, covenants and agrees to pay when due all Regular, Special, and Limited Assessments or charges made by the Association or a Sub-Association of which the Owner is a Member.

All such Assessments, 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 Lot against which each such Assessment is made, and shall be also the personal obligation of the Owner of such Lot at the time when the Assessment becomes due and payable, provided, however, that all such Assessments shall be junior and subordinate to the lien of a first Mortgage or first Deed of Trust encumbering the Lot. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by them. No Owner may waive or otherwise avoid liability for any Assessment by non-use of the Common Areas or by abandonment of his Lot.

SECTION 9.02. Regular Assessments. Regular Assessments shall be made by the Association in such amounts and at times and intervals deemed appropriate by the Board. The Regular Assessments shall be based upon advance estimates of annual cash requirements as determined by the Board for the maintenance and operation of the Common Areas and all easement areas, if any, controlled by the Association and for the performance by the Association of its other duties and responsibilities. Such estimates may include, but shall not be limited to, expenses of management, taxes and special assessments of local governmental units, premiums for all insurance which the Association is required or permitted to maintain hereunder, landscaping and care of grounds, lighting, water charges, trash collection, sewerage charges, repair and maintenance, legal and accounting fees, and any deficit remaining from previous periods and the creation of a reserve, surplus and/or sinking fund(s).

SECTION 9.03. Special Assessments. In addition to Regular Assessments, the Association may levy at any time a Special Assessment payable over such period as the Board may deem appropriate for the following purposes:

- (a) To defray, in whole or in part, the cost of any construction or reconstruction of Improvements on a Common Area, unexpected repair or replacement of a Common Area

or any facility located thereon or an easement area controlled by the Association, the furnishing of a special service or services (other than those appropriate for a Limited Assessment), or for any other expenses incurred or to be incurred as provided in this Master Declaration.

- (b) To cure a deficit in the common and ordinary expenses of the Association for which Regular Assessments for a given calendar or fiscal year are or will be inadequate to pay, as determined by the Board.

Upon the first transfer of ownership of a Lot by the Grantor to an Owner, a set-up fee in the amount annually established by the Board shall be payable by the purchaser of the Lot to the Association. Upon any subsequent transfer of a Lot, a transfer fee in the amount annually established by the Board shall be payable by the purchaser thereof to the Association..

SECTION 9.04. Limited Assessments. In addition to Regular and Special Assessments, Owners shall pay Limited Assessments as follows:

- (a) **Maintenance and Repair.** The Association shall have the power to incur expenses for maintenance and repair of any Lot or any Improvements on a Lot, if such maintenance and repair is necessary, in the opinion of the Board, to protect the Common Area or any other portion of the Property, and if the Owner of said Lot has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity thereof has been delivered by the Board to said Owner. The Board shall levy a Limited Assessment against the Owner of the Lot owned by said Owner to pay for the cost of such maintenance and repair, and any other cost or expense, including attorneys' fees, arising out of or incident to such maintenance and repair and the Assessment therefor.
- (b) **Correction of Violations.** In addition to maintenance and repair, the Board, upon certification from the ACC of the failure or refusal of an Owner to correct a violation of this Master Declaration or the ACC Guidelines or the ACC rules, shall have the power to correct any such violation on a Lot or any Improvement on a Lot, and incur costs necessary in connection therewith. The cost of such corrective action, together with interest, related expenses and attorneys' fees shall be assessed and collected as set forth in this Article IX and Article X of this Master Declaration.
- (c) **Limited Purpose.** The Association shall have the power to levy a Limited Assessment against Owners and Lots for any limited special purpose which the Board believes necessary with respect to certain Lots but not an appropriate expense for payment by the Association. Such Limited Assessment shall not be made until the Owners of said Lots subject thereto have been given an opportunity, after notice, to participate in a hearing with respect to said Limited Assessment.

SECTION 9.05. Sub-Association Assessments. Any Sub-Association of the Subdivision is hereby empowered to assess and certify for levy and collection by the Association, Regular, Special, and/or Limited Assessments on the Lots and Owners thereof who are Members of the Sub-Association. The certification for levy by a Sub-Association and the collection thereof by the Association shall be as follows:

- (a) The Sub-Association Board shall, following its By-Laws, rules and regulations, meet and approve a Regular, Special, or Limited Assessment.

- (b) A written certification signed by the President and Secretary of the Sub-Association that a Regular, Special, or Limited Assessment has been approved by the Sub-Association Board shall be submitted to the Board. The certification shall contain the following: (i) a description of the type of Assessment to be levied and collected; (ii) the name and address of the Owner and the legal description of each Lot to be assessed; (iii) the amount to be levied and collected from each Owner; and (iv) the term of said levy and the due dates for the payment thereof by the Owners affected. The due dates may be adjusted by the Board to conform the same to the due dates of the Assessments of the Association for the purpose of achieving efficiency and economy in preparing and mailing statements and notices and collection.
- (c) Upon compliance with the foregoing, the Board shall levy the Assessment so certified in accordance with the terms of the certification in the same manner as levies for Assessments of the Association. Any levy made by the Association on behalf of a Sub-Association pursuant to a proper certification shall have the same force and effect as a levy made by the Association.
- (d) The Association, upon receipt of funds paid pursuant to a levy certified by a Sub-Association, shall deposit such funds as received in the separate account of the Sub-Association, as designated by the Sub-Association.

SECTION 9.06. Commencement of Regular Assessments. Regular Assessments of the Association against each Lot shall commence the date of the closing of the first (1st) sale of a Lot to an Owner. Provided, however, that any Lot owned by the Grantor shall be assessed Regular Assessments not exceeding ten percent (10%) of the amount assessed against Lots owned by other Owners. If the Grantor pays all or any portion of the expenses of the Association in excess of the amount assessed to Lots owned by the Grantor, such excess amounts so paid shall constitute either (i) a prepayment of Assessments (Regular, and Special) to become due and payable on the Lots owned by the Grantor within the Property, or (ii) a loan by the Grantor to the Association, which loan, without interest, shall be repaid by the Association to the Grantor from the funds of the Association which are available to make such repayment. Nothing herein contained shall obligate the Grantor to pay any Assessment with respect to a Lot within a separately platted phase or subdivision within the Property in which the Grantor owns all of the Lots.

SECTION 9.07. Uniform Rate of Assessment. Except as expressly provided to the contrary in this Master Declaration, Regular, and Special Assessments of the Association shall be fixed at a uniform rate for all Lots to which such Assessments apply.

SECTION 9.08. Assessment Due Date. The due dates for Regular, Special and Limited Assessments shall be the first day of the first (1st) month of each calendar quarter, unless some other due date is established by the Board. Each installment of an Assessment shall be delinquent if not paid within fifteen (15) days after the due date thereof. Nothing herein contained shall prohibit the Board from requiring that Special or Limited Assessments be paid in a lump sum instead of installments.

SECTION 9.09. Interest and Penalties. Any Regular, Special or Limited Assessment levied by the Association on Lots, if not paid when due, shall bear interest at an annual rate as shall be set by the Board from time to time, or if none is so set, at an annual rate of twelve percent (12%). Such interest shall commence on the date the Assessment becomes due and payable. In addition to the interest charge the Board may, in accordance with rules and regulations promulgated by it, impose additional fines or charges for the failure of an Owner to timely pay any Assessment when due. The right of the Board to charge interest or impose additional fines or charges shall be in addition to, and not in lieu of, any other right of enforcement or sanction available to the Board in the event of non-payment of an Assessment.

SECTION 9.10. Estoppel Certificate. The Association, upon not less than 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 Owner is in default under the provisions of this Master Declaration and further stating the dates to which Assessments have been paid by said Owner, it being intended that any such certificate delivered pursuant to this Section may be relied upon by any prospective purchaser or Mortgagee of said Lot, but reliance on such certificate may not extend to any default as to which the signer shall have had no actual knowledge. The Association shall have the right to charge a reasonable fee for the certification herein provided.

SECTION 9.11. Notice and Quorum Requirements. Notwithstanding anything to the contrary contained in either the Articles or the By-Laws of the Association, written notice of any meeting called for the purpose of levying a Special Assessment described in Section 9.03, above, or a Limited Assessment described in Section 9.04, above, shall be sent to each Owner whose Lot is subject to the levy of such Special or Limited Assessment not less than ten (10) nor more than fifty (50) days in advance of the meeting. The presence of the Owners, including the Grantor, who hold sixty percent (60%) of the total of the combined voting rights of the Class A and Class B Members, either in person or by proxy, shall constitute a quorum. If the required quorum is not present, the meeting may be rescheduled by the Board for a date not later than sixty (60) days after the date of initial meeting and at the rescheduled meeting the presence of ten percent (10%) of the total of the combined voting rights of the Class A and Class B Members, either in person or by proxy, shall constitute a quorum. No written notice of the rescheduled meeting shall be required. Notwithstanding the foregoing, in a case involving the levying of a Limited Assessment on a Lot, as provided in Section 9.04, above, there shall be no requirement of a quorum at a meeting rescheduled because of a lack of the required quorum at the initial meeting, and the Board may approve and levy such Limited Assessment even though the Owner of the Lot subject thereto is not present in person or by proxy.

ARTICLE X

ENFORCEMENT OF ASSESSMENTS

SECTION 10.01. Right to Enforce. The right to collect and enforce payment of the Assessments made by the Association (including the Assessments made and certified by a Sub-Association) is vested in the Association. Each Owner of a Lot hereby agrees to the enforcement of the payment of all Assessments in the manner herein provided. In the event an attorney is employed for the collection of an Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of any of the terms and conditions of this Master Declaration, the Owner against whom such enforcement is sought shall pay reasonable attorneys' fees in connection therewith.

SECTION 10.02. Creation of Assessment Liens. There is hereby created a continuing claim of lien with power of sale on each and every Lot to secure payment of any and all Assessments levied against any and all Lots within the Property pursuant to this Master Declaration, together with interest thereon and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. Said lien shall be prior and superior to all other liens or claims created subsequent to the recordation of this Master Declaration except only for: (i) valid tax and special assessment liens on Lots in favor of any governmental unit assessing authority; (ii) a lien for all sums unpaid and secured by a first Mortgage or first Deed of Trust, duly recorded in Ada County, Idaho, including all unpaid obligatory advances to be made pursuant thereto; and (iii) labor or materialman's liens, if the same are prior and superior by reason of applicable law. All other lien holders acquiring liens on any Lot after recordation of this Master Declaration shall be deemed to consent that such liens shall be inferior liens to the lien for Assessments levied by the Association, whether or not such consent be specifically set forth in the instruments creating such other liens.

SECTION 10.03. Notice of Assessment Lien. If an Owner fails to pay an Assessment within thirty (30) days of its due date, the Association shall prepare a written Notice of Assessment Lien setting forth the name of the Association, the type of Assessment, the amount of the Assessment, the due date thereof, including the amount and due date of installments (if the same are permitted), the amount remaining unpaid at the time of filing, the name of the record Owner of the Lot and a legal description of the Lot. Such Notice shall be verified by the oath of an individual having knowledge of the facts, signed by the President and Secretary of the Association, acknowledged by a Notary Public and recorded in the office of the Ada County Recorder. Within five (5) business days after recording such a Lien, the Association shall serve, by personal delivery to the Owner or by certified mail to the last known address of the Owner, a true and correct copy of the said Lien. At such time as a delinquent Assessment which is described in the Lien is paid, the Association shall prepare and record a Notice of Satisfaction with respect thereto.

SECTION 10.04. Enforcement. Upon the failure of an Owner to pay an Assessment in accordance with its terms, the lien for Assessment herein created may be enforced by sale by the Association, such sale to be conducted in the manner provided by law in Idaho for the exercise of the power of sale in Deeds of Trust or in any other manner permitted by law elected by the Board. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, including all reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Lot which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire and thereafter hold, convey, lease, rent, encumber, use and otherwise deal with and in said Lot as the Owner thereof.

SECTION 10.05. Notice Required. Notwithstanding anything to the contrary contained in this Master Declaration, no action may be brought to foreclose the lien for any Assessment, whether by power of sale or otherwise, until the expiration of thirty (30) days after written Notice of Default has been deposited in the United States mail, certified or registered mail, postage prepaid, return receipt requested, addressed to the Owner of the Lot described in such Notice at the last known address of the Owner as shown on the books and records of the Association. Said Notice shall specify the amount and due date of the unpaid Assessment(s) and the legal description of the Lot.

SECTION 10.06. Reporting. The Association shall provide a Mortgagee with a copy of a Notice of Default served on an Owner under Section 10.05, above. The duty to give such Notice shall arise only after said Mortgagee furnishes to the Association written notice of a Mortgage (or Deed of Trust) which shall contain the following:

- (a) The name and address of said Mortgagee;
- (b) A legal description of the Lot subject to the lien of the Mortgage by Lot, Block and Subdivision;
- (c) The name and address of the Owner;
- (d) The date the lien of the Mortgage was filed of record in Ada County, Idaho, and the instrument number thereof;
- (e) The maturity date of the obligation secured by said Mortgage lien;
- (f) A copy of a title insurance report evidencing that the Mortgagee is the holder of a first Mortgage or the beneficiary of a first Deed of Trust;

- (g) The signature of the Mortgagee or authorized agent.

In the event the Association shall be required to notify a Mortgagee as herein provided, the Association shall assess the Owner who is delinquent the sum of \$50.00 as a reasonable charge for such notification and such charge shall be a cost of collection secured by the Assessment lien described in Section 10.02, above. The charge for such notification shall be subject to change by the Board.

SECTION 10.07. Term of Assessment. Unless sooner satisfied and released or the enforcement thereof initiated as provided in this Article, the lien for any Assessment levied under this Master Declaration or any applicable Supplemental Declaration shall expire and be of no further force or effect after a period of one (1) year from the date the Notice of Assessment Lien is recorded; provided, however, that such period may be extended for not to exceed one (1) additional year by recording a written extension thereof; and further provided that the expiration of the lien as provided herein shall not release an Owner from the personal obligation to pay any Assessment.

SECTION 10.08. Non-Exclusive Remedy. The remedies set forth in this Article or elsewhere in this Master Declaration shall not be deemed to be an exclusive remedy and the Association may pursue all other remedies available at law or in equity.

ARTICLE XI

ARCHITECTURAL CONTROL COMMITTEE

SECTION 11.01. Members of the Committee. The Architectural Control Committee (ACC) shall be comprised of at least three (3) persons, all of whom shall be appointed as herein provided. A member of the ACC shall hold office until he has resigned or has been removed, but in any event, until said Member's successor has been appointed. Members of the ACC may be removed at any time, with or without cause.

SECTION 11.02. Appointment. So long as the Grantor owns any Lot or parcel within or adjacent to the Property, the Grantor shall have the sole right to appoint and remove all members of the ACC. Thereafter, all members of the ACC shall be appointed or removed by the Board. The ACC shall have the right by a resolution in writing unanimously adopted, to designate one (1) of its members to take any action or perform any duties for and on behalf of the ACC. In the absence of such designation, the vote of any two (2) members of the ACC shall constitute an act of the ACC.

SECTION 11.03. Compensation. The members of the ACC shall not receive any compensation for services rendered, but shall be reimbursed for actual expenses incurred by them in the performance of their duties hereunder. Nothing herein shall prohibit or restrict the ACC from contracting with and paying a member of the ACC who is professionally qualified as an architect, engineer or designer for the review of the plans and specifications described in Section 11.07, below.

SECTION 11.04. Non-Liability. Neither the ACC, or any member thereof, or the Grantor or any partner, officer, employee, agent, successor or assign thereof, shall be liable to the Association, any Owner or any other person for any loss, damage or injury arising out of or connected with the performance by the ACC of its duties and responsibilities by reason of a mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve an application. Every person who submits an application to the ACC for approval of plans and specifications agrees, by submission of such an application, and every Owner or Occupant of any Lot agrees, by acquiring title thereto or an interest therein, not to bring any action or suit against the Association, the ACC, or any member thereof, or the Grantor or any officer, partner, employee, agent, successor or assign thereof to recover such damages.

SECTION 11.05. Approval Required. No construction, alteration, modification, removal or destruction of any Improvements of any nature whatsoever, whether real or personal in nature, shall be initiated or be permitted to continue or exist within the Property without the prior express written approval of the ACC.

SECTION 11.06. Variances. The ACC may authorize variances from compliance with the requirements of any conditions and restrictions contained in this Master Declaration, the ACC Guidelines, or any prior approval when, in the sole discretion of the ACC, circumstances including, but not limited to, topography, natural obstructions, aesthetics or environmental considerations or hardship may so require. Such variances must be evidenced in a writing signed by at least two (2) members of the ACC. If a variance is granted as provided herein, no violation of this Master Declaration, ACC Guidelines or prior approval 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 Master Declaration or the ACC Guidelines for any purpose except as to the particular subject matter of the variance thereof and the specific Lot covered thereby. The ACC shall have the right to consider and grant a variance as herein provided either with or without notice to other Owners or a hearing of Owners thereon. The granting of a variance by the ACC pursuant to this Section shall not relieve the Owner from the obligation to fully comply with the ordinances of the City of Eagle, Idaho, as may be applicable to the Property.

SECTION 11.07. Application. To request ACC approval for the construction, alteration, modification, removal or demolition of any Improvements within the Property, the Owner shall submit a written application in a form required by the ACC which must be signed by the Owner and contain all information requested and be accompanied by all other material to be submitted as hereafter provided.

All applications must contain, or have submitted therewith, the following material (collectively called "plans and specifications") prepared in accordance with acceptable architectural standards and submitted with the application form, if any, approved by the ACC:

- (a) **Site Plan.** A site plan showing the location of the Building(s) and all other structures and Improvements including fences and walls on the Lot, Lot drainage and all set backs, curb cuts, driveways, parking areas and other pertinent information relating to the Improvements.
- (b) **Building Plan.** A building plan which shall consist of preliminary or final blueprints, elevation drawings of the north, south, east and west sides, and detailed exterior specifications which shall indicate, by sample if required by the ACC, all exterior colors, materials and finishes, including roof, to be used.
- (c) **Landscape Plan.** A landscape plan for portions of the Lot to be landscaped, which shall show the location, type and size of trees, plants, ground cover, shrubs, berming and mounding, grading, drainage, sprinkler system, fences, freestanding exterior lights, driveways, parking areas and walkways.
- (d) **Evidence of Cost.** Such evidence of the cost of the Improvements as shall be satisfactory to the ACC to assure compliance with the requirements, if any, of the ACC Guidelines.

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

SECTION 11.08. Construction Completion Deposit. The ACC shall have the right to require an Owner to deposit with the ACC, at the time of the submission of the application under Section 11.07, above, a

construction completion deposit (hereafter "Completion Deposit"), in the amount of \$5,000.00, or such other amount as shall be determined by the ACC. The Completion Deposit shall be held by the ACC as security for the timely completion by the Owner of the Improvements on the Lot as approved by the ACC, including, but not limited to the landscaping as provided in Section 5.26, above, and upon such timely completion shall be returned to the Owner without interest. If the Owner fails to timely complete such Improvements, the ACC shall have the right to deduct from such Completion Deposit the amount of any penalties, off-sets and any costs as set forth in this Master Declaration or the ACC Guidelines, including any costs which may be paid or incurred by the Association or a third party to complete such Improvements. The Inspection Fee(s) payable by an Owner to the ACC under Section 11.17, below, may be deducted from the Completion Deposit, if any, held by the ACC.

SECTION 11.09. Decision. In reviewing the application and the materials submitted therewith and in reaching a decision thereon, the ACC shall use its best efforts and judgment to assure that all Improvements shall produce and contribute to an orderly and aesthetically complementary design and appearance and be of the quality required to maintain the Property as a quality residential development.

Unless extended by mutual consent of the Owner and the ACC, the ACC shall render its decision with respect to an application within forty-five (45) days after the receipt of a properly submitted application. The decision of the ACC can be in the form of an approval, a conditional approval or denial. The decision of the ACC shall be in writing, signed by a member of the ACC, dated, and a copy thereof mailed to the Owner at the address or sent via facsimile to the number shown on the application.

A conditional approval shall set forth with particularity the conditions upon which the application is approved and the Owner shall be required to affix a copy of said conditions to the working drawings or blueprints which are to be kept on the job site during the entire course of the work to which said plans relate. A denial of an application shall state with particularity the reasons for such denial.

SECTION 11.10. Inspection and Complaints. The ACC is empowered to inspect all work in progress on any Lot at any time. Such inspection shall be for the purpose of determining whether the Owner is proceeding in accordance with the approved application or is deviating therefrom or is violating this Master Declaration or the ACC Guidelines or the approved plans and specifications.

The ACC is empowered to receive from other Owners ("Complainant") complaints in writing involving deviations from approved applications or violations of this Master Declaration or any applicable ACC Guidelines. In the event the ACC receives such a complaint from a Complainant, it shall first determine the validity of such complaint by inspection or otherwise.

Should the ACC determine that there has been a deviation or a violation, it shall promptly issue a notice in writing thereof to the Owner and to the Complainant, which notice shall specify the particulars of the deviation or violation and shall demand that the Owner conform to either or both of the following directives:

- (a) The Owner shall immediately cease the activity which constitutes a deviation or violation.
- (b) The Owner shall adhere to the corrective measures set forth in the written notice.

Should the ACC determine there has been no deviation or violation, it shall promptly issue a notice of such determination to the Owner and the Complainant.

SECTION 11.11. Hearing. An Owner submitting an application under Section 11.07, above, or served with a written notice of deviation or violation, or a Complainant shall have the right to request and be heard at a hearing held by the ACC for the purpose of presenting facts and information to the ACC. Such hearing must be

requested by such party within ten (10) days from the date the written notice of the decision of the ACC is mailed to the Owner (and Complainant) as evidenced by the records of the ACC. The hearing shall be held within ten (10) days following receipt by the ACC of the request for a hearing, unless the ACC shall extend said period of time because of the unavailability of ACC members. A hearing may be continued by the ACC for the purpose of further investigation or to receive additional evidence. Upon completion of the hearing, the ACC shall issue a written opinion to the involved parties within ten (10) business days thereafter which opinion shall set forth the findings of the ACC with respect to the matters at issue and shall affirm, modify or rescind its previous decision as contained in the original written notice. If the ACC incurs any costs or expenses in connection with the investigation, processing or hearing on a matter involving a deviation or violation, including the costs of retaining a consultant(s) to advise the ACC and legal fees, such costs shall be paid by the Complainant unless an Owner is found to be in violation, in which event such Owner shall pay all such costs. The payment of such costs shall be enforceable as provided in Section 11.13, below.

SECTION 11.12. Appeal. Either an Owner or a Complainant shall have the right to appeal to the Board a decision of the ACC on an application with respect to the conditions imposed thereon or a denial thereof, or a decision of the ACC adverse to the Owner or the Complainant reached following a hearing held pursuant to Section 11.11, above, provided, however, that neither an Owner nor a Complainant shall be entitled to such an appeal with respect to deviations or violations unless said Owner or Complainant has participated in the ACC hearing.

A notice of appeal shall be in writing and shall be delivered by mail to the Secretary of the Board within ten (10) days from the date of the decision by the ACC. Said notice of appeal shall be dated and shall contain the name of the Owner and the Complainant, if any, and a copy of the written decision or determination of the ACC. The failure of an Owner or Complainant to appeal a decision of the ACC in the manner and within the time herein provided shall terminate all rights of said Owner or Complainant to appeal said decision and it shall be binding and enforceable.

The Board shall fix a date for the hearing of such an appeal which date shall be no later than ten (10) days from the date of receipt of a notice of appeal unless extended by the Board because of the unavailability of Board members. The Owner and Complainant, if any, shall be advised of the time and place of the hearing by a mailed written notice. Written notice of time and place for hearing shall also be served by mail upon each member of the ACC.

The Board may require the Owner or Complainant to provide additional information to facilitate the Board's decision and the failure of such party to comply promptly with such a request shall entitle the Board to deny the appeal, in which event the decision by the ACC shall be considered final and not subject to further appeal.

At the hearing the Owner, Complainant, if any, and the ACC, together with their representatives and other witnesses, shall present their position to the Board. The order of presentation and the evidence to be admitted shall be solely within the discretion of the Board provided, however, that the Owner, the Complainant, if any, and the ACC shall have the opportunity to question and cross-examine witnesses presented by the other. The Owner, the Complainant, if any, and the ACC will have the opportunity to present final argument consistent with rules adopted by the Board for such hearing process. Any party may be represented by an attorney at any hearing by the ACC or the Board.

Upon receiving all of the evidence, oral and documentary, and following the conclusion of the hearing, the Board shall retire to deliberate and shall reconvene at a time and place determined by the Board, at which time the Board shall cast its official ballot and the decision shall be duly recorded in the minutes of the meeting. The Owner, the Complainant, if any, and the ACC members shall be given written notice of the decision which shall be deemed given when deposited in the United States mail, postage prepaid and properly addressed.

If the Board incurs any costs or expenses in connection with the investigation, processing or hearing on an appeal, including the costs of retaining a consultant(s) to advise the Board and legal fees, such costs shall be paid by the party(s) filing the appeal unless the decision by the Board constitutes a substantial reversal of the decision of the ACC, in which event such costs shall be paid by the Association. If the party filing the appeal is obligated to pay such costs, payment of the same shall be enforceable as provided in Section 11.13, below.

A decision of the Board of an appeal shall be final and shall not be subject to reconsideration or further appeal.

SECTION 11.13. Enforcement. The ACC, upon approval by the Board, shall be authorized on behalf and in the name of the Association to commence such legal or equitable proceedings as are determined by it to be necessary or proper to correct or enjoin any activity or condition existing within the Property, the continuation of which violates the provisions of this Master Declaration, the ACC Guidelines or rules, or the approved plans and specifications. The ACC shall not commence such legal or equitable proceedings until a written notice of the deviation or violation has been appropriately prepared and given to the Owner but thereafter the ACC shall have the sole discretion to commence such proceedings.

The authority of the ACC as herein provided shall include the power to retain legal counsel and expert witnesses, pay filing fees, deposition costs, witness fees and all other ordinary and necessary expenses incurred in commencing and carrying out said legal or equitable proceedings, all of which costs shall be paid by the Association.

In the event the ACC and/or Association shall prevail in any such legal or equitable proceedings, all costs and expenses incurred in connection therewith including, but not limited to, attorneys' fees shall be reimbursed to the Association by the Owner against whom said proceedings are filed and upon the failure of said Owner to reimburse the Association within five (5) days after written demand therefor is mailed to the Owner, the Association shall have the right to levy a Limited Assessment against the Owner and the Lot owned by the Owner which Assessment shall be equal to said costs and expenses incurred plus any additional costs and expenses incurred in levying the Assessment. Said Limited Assessment shall be due and payable at such time or in such installments as may be determined by the Board, in its sole discretion. The failure of the Owner to pay said assessments, or any installment thereof when due, shall be enforceable in the manner provided in Article X, above.

SECTION 11.14. Additional Damages. In addition to the costs and expenses to be reimbursed by the Owner or the Complainant, all other costs, expenses and damages determined by the Board to be proximately caused by the deviation or violation or the costs and expenses incurred by the Association to correct the same shall be assessed as a Limited Assessment against the Owner and the Lot owned by said Owner, or the Complainant and the Lot owned by the Complainant, as the case may be, which Limited Assessment shall be due and payable at such time or in such installments as determined by the Board, in its sole discretion. The right of the Board to enforce said Limited Assessment shall be the same as provided in Article X, above.

SECTION 11.15. Non-Exclusive Remedy. The right of the Association to levy a Limited Assessment as described in Sections 11.13 and 11.14, above, shall not be deemed to be an exclusive remedy of the Association and it may, in its sole discretion, without waiver of any other legal or equitable remedy, pursue enforcement of the lien of said Limited Assessment(s), proceed to collect any amount due directly from the Owner and/or pursue any other remedies available at law or in equity.

SECTION 11.16. Private Rights. The Association shall not have the right to mediate or litigate private disputes between Owners where there is a legal or equitable remedy available to resolve said dispute when, in the

sole discretion of the Board, the interests of the Association or a substantial number of the Owners would not be benefited thereby.

SECTION 11.17. Inspection Fee(s). The ACC shall have the right to charge an Owner an inspection fee (hereafter "Inspection Fee") not exceeding \$100.00 for each inspection of the Improvements constructed on a Lot if the initial inspection, which shall be performed by the ACC without cost to the Owner, reveals that the Improvements do not comply with the approved application or is deviating therefrom or is violating this Master Declaration or the ACC Guidelines or the approved plans and specifications, and an additional inspection(s) is required to assure such compliance. Any collection of Inspection Fee(s) so charged by the ACC to an Owner shall be enforceable as provided in Section 11.13, above.

ARTICLE XII

ANNEXATION

SECTION 12.01. Annexation. Additional property may be annexed to the Subdivision and brought within the provisions of this Master Declaration by the Grantor, at any time, without the approval of any Owner or the Association. To annex additional property to the Subdivision, the Grantor shall record an amendment to this Master Declaration which shall specify the annexation of the additional property to the Subdivision and which may supplement this Master Declaration with addition or different covenants and restrictions applicable to the annexed property, as the Grantor may deem appropriate, and may delete or modify as to such annexed property such covenants as are contained herein which the Grantor deems not appropriate for the annexed property, so long as the additional, different, deleted or modified covenants or restrictions are not prohibited by the regulations and requirements of the U.S. Department of Housing and Urban Development for residential subdivisions of the nature and type as the Subdivision. Upon such annexation, the Owners of the Lots within the annexed property shall become members of the Association with all rights, privileges and obligations as all other members. The amendment of this Master Declaration as authorized by this Section, to annex additional property to the Subdivision, shall be controlled by the provisions of this Section and shall be expressly excluded from the requirements of Section 14.02 of this Master Declaration.

SECTION 12.02. De-Annexation. The Grantor shall have the right to delete all or a portion of the Property from the coverage of this Master Declaration and the jurisdiction of the Association, so long as the Grantor is the Owner of all of the property to be de-annexed and, provided further, that an appropriate amendment to this Master Declaration is recorded in the office of the Ada County Recorder.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. Term. This Master Declaration and all covenants, conditions, restrictions and easements contained herein, as the same may be amended from time to time as provided herein, shall run until December 31, 2043, after which date said covenants, conditions, restrictions and easements shall be automatically extended for successive period of ten (10) years each, unless extinguished by a written instrument executed by the Owners of at least three-fourths (3/4) of the Lots covered by this Master Declaration and such written instrument is recorded with the Ada County Recorder.

SECTION 13.02. Amendment. Subject to the provisions of sub-paragraph c, below, this Master Declaration may be amended as follows:

- (a) **By Grantor.** Until title to a Lot within the Property is conveyed by the Grantor to an Owner, this Master Declaration may be amended or terminated by the Grantor by recordation of a written instrument signed by the Grantor and acknowledged setting forth such amendment or termination
- (b) **By Owners.** Except as otherwise expressly provided in this Master Declaration, the provisions of this Master Declaration, other than this Section, may be amended at any time by an instrument in writing, signed and acknowledged by the President and Secretary of the Association, certifying that such amendment has been approved by a majority of the total of the Class B votes cast by the Class B Member(s), or after the Class A Members become entitled to voting rights, by a majority of the total of the Class A votes cast by the Class A Members either in person or by proxy at a meeting of the Class A Members duly held for such purpose and/or by the approval in writing by the Class B Member(s) or a majority of the Class A Members, as the case may be. Such amendment shall be effective upon its recordation with the Ada County Recorder. Any amendment to this Section 14.02 shall require the vote of a majority of the total of the Class B votes cast by the Class B Member(s), or after the Class A Members become entitled to voting rights, by seventy-five percent (75%) of the total of the Class A votes cast by the Class A Members either in person or by proxy at a meeting of the Class A Members duly held for such purpose and/or by the approval in writing by the Class B Member(s) or seventy-five percent (75%) of the Class A Members, as the case may be. Such amendment to this Section shall be in the form of an instrument in writing, signed and acknowledged by the President and Secretary of the Association, certifying that such amendment to this Section has been approved as provided herein, and shall be effective upon its recordation with the Ada County Recorder.

SECTION 13.03. Books and Records. All books, records and minutes of the Board and all other books and records maintained by the Association shall be made available for inspection and copying by any Owner or by his duly authorized representative, at any reasonable time and place, and for a purpose reasonably related to its interest as a member in the Association, or at such other place and time as the Board shall prescribe.

SECTION 13.04. Non-Waiver. The failure of the Grantor, the Board or any Owner in any one or more instances to insist upon the strict performance of any of the covenants, conditions, restrictions, easements or other provisions of this Master Declaration or to exercise any right or option contained herein, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of such covenant, condition, restriction, easement or other provision, but the same shall remain in full force and effect.

SECTION 13.05. Acceptance. Each Owner of a Lot, each purchaser of a Lot under a contract or agreement of sale and each holder of an option to purchase a Lot, by accepting a deed, contract of sale or agreement or option, accepts the same subject to all of the covenants, conditions, restrictions, easements and other provisions set forth in this Master Declaration and agrees to be bound by the same.

SECTION 13.06. Indemnification of Board Members and ACC. Each member of the Board and each member of the ACC shall be indemnified by the Owners against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which said member may be a party or in which said member may become involved, by reason of being or having been a member of the Board or the ACC, or any settlement thereof, whether or not said person is a member of the Board or ACC at the time such expenses or liabilities are incurred, except in such cases wherein said person is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification shall apply only when the Board or the ACC approves such settlement and reimbursement as being in the best interest of the Association or Owners. This Section shall extend to and apply also for the

indemnification of the Grantor during the initial period of operation of the Association or prior thereto during the period the Grantor is exercising the powers of the Association.

SECTION 13.07. Notices. Any notice permitted or required to be delivered as provided in this Master Declaration shall be in writing and shall be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after the same has been deposited in the United States mail, postage prepaid, properly addressed.

SECTION 13.08. Interpretation. The provisions of this Master Declaration and any Supplemental Declaration shall be liberally construed to effectuate the Project Objectives set forth in Article IV, above, and shall be construed and governed by the laws of the State of Idaho. 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 include the masculine, feminine or neuter. 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.

SECTION 13.09. Severability. Notwithstanding the provisions of the preceding Section, each of the provisions hereof shall be deemed independent and severable and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

SECTION 13.10. Not a Partnership. The provisions of this Master Declaration are not intended to create, nor shall they be in any way interpreted or construed to create a joint venture, partnership or any other similar relationship between the Owners, including the Grantor.

SECTION 13.11. Third Party Beneficiary Rights. This Master Declaration is not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not an Owner or an occupant, unless otherwise expressly provided herein.

SECTION 13.12. Injunctive Relief. In the event of any violation or threatened violation by any person of any of the covenants, easements and restrictions contained in this Master Declaration, the Grantor and/or any or all of the Owners shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction. The right of injunction shall be in addition to all other remedies set forth in this Master Declaration or provided by law.

SECTION 13.13. Breach Shall Not Permit Termination. It is expressly agreed that no breach of this Master Declaration shall entitle any Owner to terminate this Master Declaration, but such limitation shall not affect in any manner any other rights or remedies which such Owner may have hereunder by reason of any breach of this Master Declaration. Any breach of this Master Declaration shall not defeat or render invalid the lien or security of any lien holder made in good faith for value, but this Master Declaration shall be binding upon and be effective against any Owner whose title is acquired by foreclosure, trustee's sale or otherwise.

SECTION 13.14. Attorneys' Fees. In the event any person initiates or defends any legal action or proceeding to interpret or enforce any of the terms of this Master Declaration, the prevailing party in any such action or proceeding shall be entitled to recover from the losing party in any such action or proceeding the prevailing party's reasonable costs and attorneys' fees, including the same with respect to an appeal.

SECTION 13.15. Force Majeure. The period of time provided in this Master Declaration for the performance of any act shall be extended for a period or periods of time equal to any period or periods of delay caused by strikes, lockouts, fire or other casualty, the elements or acts of God, refusal or failure of governmental authorities to grant necessary permits and approvals for the act (the parties agreeing to use reasonable diligence to procure the same), or other causes, other than financial, beyond their reasonable control.

SECTION 13.16. Assignment by Grantor. Any or all rights, powers and reservations of Grantor herein contained may be assigned to the Association or to any other corporation, association or individual which is now organized or which may hereafter be organized and which will assume the duties of Grantor hereunder pertaining to the particular rights, powers and reservations assigned, and upon any such corporation, association or individual evidencing its intent in writing to accept such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Grantor herein. Unless assigned as herein provided, all rights of Grantor hereunder reserved or created shall be held and exercised by Grantor alone, so long as it owns any interest in any portion of said property.

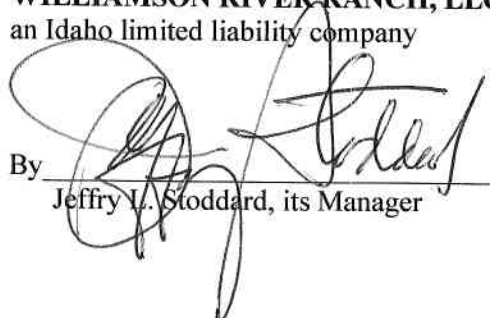
SECTION 13.17. Governmental Rules and Ordinances: In the event any of the provisions of this Master Declaration are less restrictive than any governmental rule, regulation or ordinance, then the more restrictive governmental rule, regulation or ordinance shall apply. This Master Declaration is subject 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 this Declaration unlawful, then in such event that portion shall be deemed to be amended to comply with the applicable rule, regulation, law or ordinance.

SECTION 13.18. Boise City Wastewater Treatment Plant. By the acceptance of a deed for any Lot in the Subdivision, all Owners expressly acknowledge that a Boise City wastewater treatment plant exists south of the Property (across the south channel of the Boise River). All Owners waive the right to file complaints regarding odors, noise, or other normal operations associated with the treatment plant.

IN WITNESS WHEREOF the Grantor has executed this Master Declaration as of the day and year first above written.

WILLIAMSON RIVER RANCH, LLC.
an Idaho limited liability company

By


Jeffrey L. Stoddard, its Manager

[NOTARY ACKNOWLEDGMENT ON NEXT PAGE]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On this 31st day of July, 2018, before me, Lisa Loo, Notary Public, personally appeared Jeffrey L. Stoddard, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____



(Seal)

Description of Attached Document:

Title or Type of Document: Master Declaration of Covenants, Conditions, Restrictions and Easements
for Williamson River Ranch Subdivision