

**DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS FOR
ROYAL RIDGE SUBDIVISION**

NOTICE

THIS DOCUMENT IS A VERY IMPORTANT LEGAL DOCUMENT WHICH EACH POTENTIAL RESIDENT AND OWNER OF PROPERTY WITHIN THE ROYAL RIDGE SUBDIVISION SHOULD READ AND UNDERSTAND. THIS DOCUMENT DETAILS THE OBLIGATIONS AND RESPONSIBILITIES OF ALL THE PURPLE SAGE SUBDIVISION PROPERTY OWNERS.

THE GRANTOR EXPRESSLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, STATEMENTS OR INFORMATION NOT SET FORTH HEREIN OR IN ANY WRITTEN DOCUMENT EXECUTED BY GRANTOR. ANY REPRESENTATIONS OR WARRANTIES MADE BY ANY REAL ESTATE BROKER OR AGENT OR OTHER PERSON CONCERNING THE TOTAL OR THE TYPES OF ASSESSMENTS TO BE LEVIED AGAINST AN OWNER TO PAY FOR ANY ASPECT OF TAYLOR RIDGE SUBDIVISION SHOULD BE DISREGARDED IN THEIR ENTIRETY AND IN ALL EVENTS THE TERMS AND CONDITIONS OF THIS DECLARATION SHALL CONTROL.

POTENTIAL RESIDENTS AND OWNERS ARE ADVISED TO REVIEW THIS DECLARATION WITH THEIR LEGAL AND OTHER ADVISORS PRIOR TO ACQUIRING A LOT.

TABLE OF CONTENTS

	Page
ARTICLE 1: RECITALS.....	6
1.1 Property covered.....	6
1.2 Purpose	6
ARTICLE 2: DECLARATION.....	6
ARTICLE 3: DEFINITIONS	7
ARTICLE 4: GENERAL AND SPECIFIC RESTRICTIONS.....	10
4.1 Structures.....	10
4.2 Excavation.....	11
4.3 Antennae.....	11
4.4 Insurance Rates.....	11
4.5 No Further Subdividing	11
4.6 Nuisances.....	11
4.7 Exterior Maintenance.....	12
4.8 No Hazardous Activities	12
4.9 Unsightly Articles	12
4.10 No Temporary Structures	13
4.11 No Unscreened Boats	13
4.12 Animals/Pets.....	13
4.13 Landscaping	13
4.14 Gravity Irrigation System.....	14
4.15 Wells	14
4.16 Septics	14
4.17 Fire	14
4.18 Exemption of Grantor.....	14
4.19 Signs	15
4.20 Adoption of Rules	15
ARTICLE 5: THE PURPLE SAGE SUBDIVISION HOA	15
5.1 Organization	15
5.2 Membership.....	15
5.3 Voting.....	16
5.4 Board of Directors and Officers	18

TABLE OF CONTENTS
(continued)

	Page
5.5 Power and Duties of the Association	18
5.6 Personal Liability.....	22
5.7 Budgets and Financial Statements.....	22
5.8 Meeting of Association.....	23
ARTICLE 6: ARCHITECTURAL CONTROL, BASIC DESIGN CRITERIA.....	23
6.1 Architectural Design Criteria.....	23
6.2 Architectural Control Committee.....	23
6.3 Approval by Committee	28
6.4 Rules and Regulations.....	29
ARTICLE 7: RIGHTS TO COMMON AREAS.....	29
7.1 Use of Common Area	30
7.2 Designation of Common Area	30
7.3 Delegation of Rights to Use	30
7.4 Damages.....	30
ARTICLE 8: ASSESSMENTS.....	30
8.1 Covenant to Pay Assessments	31
8.2 Regular Assessments	31
8.3 Special Assessments	32
8.4 Limited Assessments	32
8.5 Uniform Rate of Assessment	33
8.6 Assessment Period.....	33
8.7 Notice and Assessment Due Date.....	33
8.8 Estoppel Certificate	33
8.9 Special Notice and Quorum Requirements	34
ARTICLE 9: ENFORCEMENT OF ASSESSMENTS; LIENS.....	34
9.1 Right to Enforce	34
9.2 Assessment Liens	34
9.3 Method of Foreclosure.....	35
9.4 Required Notice.....	35

TABLE OF CONTENTS
(continued)

Page

9.5	Subordinate of Liens.....	36
9.6	Duration of Lien	36
9.7	Rights of Beneficiaries and Mortgagees	36
	ARTICLE 10: EASEMENTS	36
10.1	Easements of Encroachment	36
10.2	Easements for Access	36
10.3	Drainage and Utility Easements.....	37
10.4	Rights and Duties Concerning Utility Easements.....	37
10.5	Driveway Easements.....	38
10.6	Disputes as to Sharing of Costs	38
	ARTICLE 11: MISCELLANEOUS	38
11.1	Term	38
11.2	Amendments	30
11.3	Mortgage Protection.....	39
11.4	Notices	40
11.S	Enforcement and Non-Waiver.....	40
11.6	Interpretation.....	40
11.7	Successors and Assigns	41
11.8	Mortgagees' Right.....	41
11.9	Annexation.....	41
11.10	Severability	42
11.11	No Trespass.....	42

**DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR ROYAL RIDGE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR

ROYAL RIDGE is made effective as of the Way of Royal Pro-C, LLC ("Grantor" and "Class B Member") and **Royal Ridge** SUBDIVISION HOMEOWNERS' ASSOCIATION, INC., an Idaho non-profit corporation (the "Association").

ARTICLE 1: RECITALS

- 1.1 Property covered. The property subject to this Declaration of Covenants, Conditions and Restrictions for Royal Ridge (the "Declaration") is property in the City of Greenleaf, County of Canyon, State of Idaho, which is more particularly described in Exhibit A, attached hereto and made a part hereof (the "Property").

- 1.2 Purpose of Declaration. The Royal Ridge Subdivision is a residential development, which Grantor currently intends to develop in accordance with existing development approvals obtained from the City of Greenleaf, County of Canyon and documented in Canyon County files, or any other development plan(s) for which Grantor may from time to time obtain approval. Grantor intends to develop the Property in one phase, additional phases may be added. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions, and equitable servitudes (collectively, the "Restrictions") that will apply to the entire development and use of all portions of the Property. The Restrictions are designed to preserve the Property's value, desirability and attractiveness, and to guarantee adequate maintenance of the Common Area, lots or easements and the Improvements located thereon.

ARTICLE II: DECLARATION

Grantor hereby declares that the Property, and each lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved

subject to the following terms, conditions, covenants, easements, and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms, covenants, conditions, easements, and restrictions set forth herein: shall run with the land constituting the Property, and with each estate therein, and shall be binding upon all persons having or acquiring

any right, title or interest in the Property or any lot, parcel, or portion thereof; shall insure to the benefit of and be binding upon Grantor, Grantor's successors in interest and each grantee or Owner and such grantee's or owner's respective successors in interest, and may be enforced by Grantor, by any Owner or such Owner's successors in interest, or by the Association. Notwithstanding the foregoing, no provision of this Declaration shall be construed as to prevent or limit Grantor's right to complete development of the Property and to construct improvements thereon, nor Grantor's right to maintain model homes, construction, sales or leasing offices of similar facilities on any portion of the Property, including the Common Area or any public right-of-way, nor Grantor's right to post signs incidental to construction, sales or leasing.

ARTICLE III: DEFINITIONS

- 3.1 "ACC" shall mean the Architectural Control Committee.
- 3.2 "Articles" shall mean the articles of Incorporation of the Association or other organizational or charter documents of the Association.
- 3.3 "Royal Ridge" shall mean the Property.
- 3.4 "Assessments" shall mean those payments required of Owners and association Members.
- 3.5 "Association" shall mean The Royal Ridge' Association, Inc. a non-profit corporation organized under the laws of the State of Idaho, its successors and assigns.
- 3.6 "Board" shall mean the Board of Directors or other governing board or individual, of applicable, of the Association.
- 3.7 "Building Lot" shall mean one or more lots as specified or shown on any Plat upon which Improvements may be construed. The term "Building Lot" shall include single-

family residential lots, but shall not include Common Area.

- 3.8 "Bylaws" shall mean the Bylaws of the Association.
- 3.9 "Common Area" shall mean any or all parcels of the Royal Ridge Homeowners' Association, Inc., that are designated on the Plat as common area easements or lots.
- 3.10 "Declaration" shall mean this declaration as it may be amended from time to time.

- 3.11 "Grantor" shall mean Royal Pro-C, LLC., and any successor in interest, or any person or entity to whom the rights under this Declaration are expressly transferred by The Purple Sage Subdivision, Inc. or its successors.
- 3.12 "Improvement" shall mean any structure, facility, or system, or other improvement or object, whether permanent or temporary, which is erected, construed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, streets, drives, driveways, sidewalks, curbs, landscaping, signs, lights, street lights, mail boxes, electrical lines, pipes, pumps, ditches, recreational facilities, and fixtures of any kind whatsoever.
- 3.13 "Limited Assessment" shall mean a charge against a particular Owner and such Owner's Building Lot, directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, including interest thereon as provided in this Declaration.
- 3.14 "Member" shall mean each person or entity holding a membership in the Association.
- 3.15 "Owner" shall mean the record owner, whether one or more Persons, including Granter, holding fee simple interest of record to a Building Lot which is a part of the Property, and buyers under executory contracts of sale, but excluding those Persons having such interest merely as security for the performance of an obligation, unless and until such Person has acquired fee simple title pursuant to foreclosure or other proceedings.
- 3.16 "Person" shall mean any individual, partnership, corporation, or other legal entity capable of holding title to real property.
- 3.17 "Plat" shall mean any subdivision plat covering any portion of the Property as recorded at the office of the County Recorder, Canyon County, Idaho, as the same may be amended by duly recorded

amendments thereof.

- 3.18 "Property" shall mean those portions of the Property described herein including each lot, parcel and portion thereof and interest therein, including all water rights associated with appurtenant to such property.
- 3.19 "Regular Assessment" shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Areas and all improvements located thereon, and the other costs of the Association which is to be levied against the Property of and paid by each Owner of the Association, pursuant to the terms hereof or the terms of this Declaration.

- 3.20 "Special Assessments. shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized and to be paid by each Owner of the Association, pursuant to the provisions of this Declaration.

ARTICLE IV: GENERAL AND SPECIFIC RESTRICTIONS

- 4.1 Structures-Generally. All structures are to be designed, constructed and used in such a manner as to promote compatibility between the types of use contemplated by this Declaration.
- 4.1.1 Use, Size and Heights Dwellings Structure. All Building Lots shall be used exclusively for single-family residential purposes. No Building Lot shall be improved except with a single-family dwelling unit or structure of frame, stone or brick construction. No structure shall exceed thirty-five (35) feet in height. No single family structure shall have a floor area of less than eighteen hundred (1800) square feet for a single level home on smaller than ½ acre lots or eighteen hundred (1800) square feet on the first floor of a two-story home with the total above ground square footage not to be less than twenty-three hundred (2300) on any single-family dwelling on lots under one acre.
- 4.1.2 Accessory Structures. Detached structures shall be allowed if in conformity with the provisions of this Declaration, and as approved by the ACC Committee. There shall be no metal storage nor wood storage attachments to any dwelling unit except as approved by the ACC. Garages, storage sheds attached to the residential structure, and patio covers, shall be constructed of, and roofed with, the same materials, and with similar colors and design, as the residential structure on the applicable Building Lot. Each dwelling unit shall have an attached or detached garage to house a minimum of three (3) cars.
- 4.1.3 Exterior of Dwelling Structure. No change shall be made in the color of paint, stain, or other exterior finish to a dwelling unit of structure without prior written approval by the ACC. Each single-family structure shall have a minimum of thirty (30) percent of its street view exterior surface as masonry, brick, glass, windows, stone, and/or stucco which shall be of a consistent nature as to compliment other such structures on the Property. No fence shall be allowed except

white three rail vinyl, white vinyl privacy, white painted wood or white composite fence unless otherwise approved by the ACC. The ACC shall have the right to control the visual harmony and aesthetic appeal of the structures on the Building Lots and improvements thereon, including but not limited to texture, design, and color scheme of the outside walls, fences, roofs, patio roofs and landscaping.

- 4.1.4 Location on Building Lot. Unless otherwise specifically approved in writing by the ACC, no structure (exclusive of fences and similar structures) shall be placed closer than twenty-five (25) feet from the front lot line of the Building Lot on which structure is located, or closer than twelve (12) feet from any side or twenty (20) feet from any back-lot line of the Building Lot on which structure is located. Open porches shall not be considered as part of a structure, but any open porch that would extend beyond the building lines as provided in this section 4.1.4 shall, prior to construction, require approval of the ACC.
- 4.2 Excavation. No excavation for stone, sand, gravel, earth or minerals shall be made upon Building Lot unless such excavation is necessary in connection with the construction of an approved structure thereon. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in or under a Building Lot. No derrick or other structure design for use in boring for oil or nature gas shall be erected, maintained or permitted upon any Building Lot.
- 4.3 Antennae. No exterior radio antenna, television antenna, satellite dish antenna, internet antenna, cell tower, or other antenna of any type shall be erected or maintained on the Property unless it is located or screened in a manner acceptable to the Board.
- 4.4 Insurance Rates. Nothing shall be done or kept on any Building Lot which will increase the rate of insurance on any other portion of the Property without the approval of the Owner of such other portion, nor shall anything be done or kept on the Property or Building Lot which would result in the cancellation of insurance on any Property owned or managed by the Association or which would be in violation of any law.
- 4.5 No Further Subdividing. No Building Lot may be further subdivided.
- 4.6 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, including Common Areas or

vacant Building Lots. No odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the property or to its occupants. or to any other property in the vicinity thereof or to its occupants. All refuse, garbage and trash shall be kept at all times in covered reasonably noiseless containers which shall be kept and maintained within an enclosed structure appropriately screened from view, except when necessarily placed for pick up by garbage removal services. Vacant Building Lots are to be kept in clean natural state. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to the Property or to its occupants or to other property in the vicinity or to its occupants. No Owner shall permit any party or other activity in the Common Area or such Owner's dwelling unit which makes or causes to make noises which might tend to unreasonably interfere with the peace and quiet of other Owners or occupants. No offensive noise, language or behavior is allowed. The term nuisance shall include, but is not limited to, any noise or activity that negatively affects the fair market value of the adjacent property, loudly crowing animals, and chronic dog barking.

- 4.7 Exterior Maintenance. Owner's Obligations. No improvement shall be permitted to fall into disrepair, and each improvement shall at all times be kept in good condition and repair. In the event that any Owner shall permit any improvement, including trees and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, overgrown, weed infested, unsightly or unattractive condition or damages property or facilities on or adjoining their Building Lot which would otherwise be the Associations' responsibility to maintain, the Board upon fifteen (15) days prior written notice to the Owner of such property, shall have the right to correct such condition, and to enter upon such Owner's Building Lot for the purpose of doing so. and such Owner shall promptly reimburse the Association, as the case may be, for the cost thereof. Such cost shall be a Limited Assessment, in accordance with Article VIII of this Declaration, which Limited Assessment shall be secured by a lien on the Owner's Building Lot(s) and such lien shall be enforceable in the same manner as other liens set forth in Article IX of this Declaration. The Owner of the offending property shall be personally liable and such Owner's property may be subject to a mechanic's lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting amounts due.
- 4.8 No Hazardous Activities. No activities shall be conducted on the Property, and no improvements constructed on any property which are or might be unsafe or hazardous to any person or property.
- 4.9 Unsightly Articles. No unsightly articles shall be permitted to remain on any Building Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such containers and in areas approved by the ACC. No equipment, containers, lumber, firewood, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Building Lot

except with an enclosed structure or as appropriately screened from view. No building materials of any kind shall be placed or stored on a Building Lot until the Owner of such Building Lot or such Owner's builder is ready and able to commence construction.

- 4.10 No Temporary Structures. No house trailer, mobile home, tent (other than for short term individual or visitor use), shack, or other temporary building, improvement or structure shall be placed upon any portion of the Property, except temporarily as may be required by construction activity undertaken on the Property.
- 4.11 No Unscreened Boats, Campers and Other Vehicles. No dilapidated, unrepaired or unsightly vehicles or similar equipment, as determined in the reasonable discretion of the Board, shall be placed upon any portion of the Property (including, without limitation, streets, parking areas and driveways) unless the same are concealed from view in a manner approved by the ACC and using, without limitation, fencing and/or landscaping.
- 4.12 Animals/Pets. No roosters, pigs, or livestock shall be kept on the premises. This paragraph 4.12 does not apply to the keeping of up to three (3) domesticated dogs, up to three (3) domesticated cats. This also includes other household pets which do not unreasonably bother or constitute a nuisance to others, provided such animals are not kept, bred or maintained for any commercial purpose. All dogs must be leashed when outside a dwelling unit, except when in a fenced yard. Chronic dog barking shall be considered a nuisance.

All domesticated animals shall be properly restrained and controlled at all times. It shall be the obligation of each owner to control such animals in accordance with the rules and regulations of the Association. Animal shelters, enclosures or other buildings must be in architectural harmony with the dwelling unit on the Building Lot.

- 4.13 Landscaping. The Owner of any Building Lot shall have grass and or sod and landscape such Building Lot in conformance with the landscape plan approved by the ACC. A minimum of three two-inch caliper trees must be planted in the front yard. The front and side yards must be entirely landscaped prior to occupancy or 30 days from when weather permits such landscaping to be complete. The entire Building Lot must be completely landscaped within one year of occupancy. Prior to construction of Improvements, the Owner shall provide adequate irrigation and maintenance

of existing trees and landscaping, shall control weeds, and maintain the Owner's property in a clean and safe condition free of debris or and hazardous condition. Each Owner is responsible for irrigating and mowing all grass along road right-of-way's that border such Owner's Building Lot. All trees located on common Building Lot lines shall be the joint responsibility of the adjoining Building Lot Owners.

- 4.14 Pressurized Irrigation System. The pressurized irrigation system shall supply irrigation water on an as needed basis to each individual lot. All easements required to provide access for maintenance and repair of the irrigation system, canals, and ditches are designed on the final plat of The Royal Ridge Subdivision.
- 4.15 Wells. Potable water is delivered to each lot by the City of Greenleaf. Individual wells are not permitted.
- 4.16 Septic. Sewer is to be provided to each lot by the City of Greenleaf..
- 4.17 Exemption of Grantor. Nothing contained herein shall limit the right of Grantor to subdivide or resub divide any portion of the Property, to grant licenses, to reserve right-of-way and easements with the respect to Common Area to utility companies, public agencies or others, or to complete excavation, grading and construction of Improvements to and on any portion of the Property owned by Grantor, or to alter the foregoing and its construction plans and designs, or to construct such additional improvements as Grantor deems advisable in the course of development of the Property so long as any Building Lot in the Property remain unsold.

- 4.18 Signs. No sign of any kind shall be displayed to public view without the approval of the ACC except: (1) such signs as may be used by Grantor in connection with the development of the Property and sale of Building Lots; (2) such signs identifying Purple Ridge Estates, or informational signs, of customary and reasonable dimensions as prescribed by the ACC may be displayed on or from the Common Area; (3) one (1) sign of customary and reasonable dimensions as prescribed by the ACC as may be displayed by an owner. A customary "for sale" or "for lease" sign not more than three (3) feet by two (2) feet shall not require ACC approval. No sign shall be placed in the Common Area without the written approval of the ACC.
- 4.19 Adoption of Rules. The Association, through its Board of Directors, may adopt reasonable rules not inconsistent with this Declaration relating to the use of the Common Area and all facilities thereon, and the conduct of Owners and their tenants and guests with respect to the Property and other Owners.

ARTICLE V: ROYAL RIDGE SUBDIVISION
HOMEOWNERS' ASSOCIATION, INC.

- 5.1 Organization of The Royal Ridge Subdivision Homeowners' Association, Inc. (the "Association") shall be initially organized by Grantor as an Idaho non-profit corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.
- 5.2 Membership. Each Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Association. The memberships in the Association shall not be transferred, pledged, assigned or alienated in any way except upon transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited

membership transfer shall be void and will not be reflected on the books of the Association.

5.3 Voting. Voting in the Association shall be carried out by Members who shall cast the votes attributable to the Building Lots which they own, or attributable to the Building Lots owned by the Grantor. The number of votes a Member may cast on any issue is determined by the number of Building Lots which the Member, including Grantor, owns. When more than one person holds an interest in any Building Lot, all such persons shall be Members but shall share the vote attributable to the Building Lot. For voting purposes, the Association shall have two (2) classes of Members as described below:

5.3.1 Class A Members. Owners other than Grantor shall be known as Class A Members. Each Class A Member shall be entitled to cast one (1) vote for each Building Lot owned by such Class A member on the day of the vote.

5.3.2 Class B Members. Grantor shall be known as the Class B Member, and shall be entitled to four hundred eighty (480) votes (that is, 10 votes for each 48 approved Building Lots) less ten (10) votes for each Building Lot owned by someone other than the Grantor. The Class B Member shall cease to be a voting member in the Association on the happening of either of the following events, whichever occurs earlier:

- A) the Class B Member holds fewer than one (1) Building Lot.
- B) ten (10) years after the date this Declaration is recorded in the official records of Canyon County, Idaho.

5.3.3 Fractional Votes. Fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes

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

- 5.4 Board of Directors and Officers. The affairs of the Association shall be conducted and managed by a Board of Directors ("Board") and such officers as the Board may elect or appoint, in accordance with the Articles and Bylaws, as the same may be amended from time to time. The Board of the Association shall be elected in accordance with the provisions set forth in the Association Bylaws.
- 5.5 Power and Duties of the Association.
- 5.5.1 Powers. The Association shall have all the powers of a corporation organized under the general corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Idaho law and under this Declaration. and the Articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Association's other assets, including water rights when and if received from Grantor, and affairs and the performance of the other responsibilities herein assigned, including without limitation:
- 5.5.1.1 Assessments. The power to levy Assessments on any Owner or any portion of the Property and to force payment of such Assessments, all in accordance with the provisions of this Declaration.
- 5.5.1.2 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 who consents thereto, to commence and maintain actions and suits to restrain and enjoin or cure and breach or threatened breach of this Declaration of the Articles or the Bylaws.
- 5.5.1.3 Emergency Powers. The power, exercised by the Association or by a person authorized by it, to enter upon any property (but not inside any building constructed thereon) in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which the Association is responsible. Such entry shall be made

with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Association.

- 5.5.1.4 Licenses, Easements, and Rights of Way. The power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation of the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:
- 5.5.1.5 Underground lines, cables, wires, conduits or other devices for the transmission of electricity or electronic signals for lighting, heating, power, telephone, television or other purposes, and the above ground lighting stations, meters and other facilities associated with the provisions of the light and services.
- 5.5.1.6 Public sewers, storm drains, water drains, and pipes, water supply systems, sprinkler systems, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities.
- 5.5.1.7 All mailboxes will be a black post.
- 5.5.1.8 The right to grant such licenses, easements, and rights of way are hereby expressly reserved to the Association and may be granted at any time prior to twenty-one (21) years after the death of the issue of the individuals executing this Declaration on behalf of Grantor who are in being as of the date hereof.
- 5.5.1.9 Duties. In addition to duties necessary and proper to carryout the power delegated to the Association by this Declaration, and the Articles and Bylaws, without limiting the generality thereof, the Association or its agent if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the following duties:
- 5.5.1.10 Operation and Maintenance of Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common area.

- 5.5.1.11 Maintenance of Berms, Retaining Walls and Fences. Maintain any and all berms, retaining walls, and fences within and abutting the Common Area.
- 5.5.1.12 Taxes and Assessments. Pay all real and personal property taxes and assessments separately levied against the Common Area or against the Association and/or any other property owned by the Association. Such taxes and assessments may be contested or compromised by the Association, provided, however, that such taxes and assessments are paid or a bond insuring payment is posted prior to the sale or disposition of any property to satisfy the payment of such taxes and assessments. In addition, the Association shall pay all other federal, state or local taxes, including income or corporate taxes levied against the Association, in the event that the Association is denied the status of a tax-exempt corporation.
- 5.5.1.13 Water and Other Utilities. Acquire, provide and/or pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, and gas and other necessary services for the Common Area, and to manage for the benefit of the Association all water rights to receive water held by the Association whether such rights are evidenced by license, permit, claim, stock ownership or otherwise.
- 5.5.1.14 Insurance. Obtain insurance from reputable insurance companies authorized to do business in the State of Idaho, and maintain in effect any insurance policy the Board deems necessary or advisable, including, without limitation the following policies of insurance:
- 5.5.1.14.1 Fire insurance including those risks embraced by coverage of the type known as special form coverage for the full insurable replacement value of all improvements, equipment and fixtures located within the Common Area.
- 5.5.1.14.2 Comprehensive public liability insurance insuring the Board, the Association, Grantor and the individual grantees and agent and employees of each of the foregoing against any liability

incident to the ownership and/or use of the Common Area. Limits of liability of such coverage's shall be as follows: Not less than One Million Dollars (\$1,000,000) per person and One Million Dollars (\$1,000,000) per occurrence with respect to personal injury or death, and One Million Dollars (\$1,000,000) per occurrence with respect to property damage.

5.5.1.14.3 Directors' and officers' liability insurance as deemed necessary.

5.5.1.14.4 Such other insurance, including motor vehicle insurance and Workers' 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 functions or to insure the Association against any loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of any Association funds or other property.

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

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

5.5.1.14.7 Each Owner may obtain insurance at such Owner's expense providing coverage upon such Owner's Building Lot, such Owner's personal property, for such Owner's person liability, and covering such other risks as such Owner may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this article. All such insurance shall

waive the Association, the other Owners, and servants, agents and guests of any of them, if such insurance can be obtained in the normal practice without additional premium charges for the waiver of right of subrogation. Proceeds of such insurance claims shall be paid to the Owner of the Building Lot and/or the Mortgagee.

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

- 5.6 Personal Liability. No Member of the Board, or member of any committee of the Association, including the ACC, or any officer of the Association, or Grantor, or the manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account or any act, omission, error or negligence of the Association, the Board, the manager, if any, or any other representative or employee of the Association, Grantor, or any committee, or any officer of the Association, or Grantor, provided that such person, upon the basis of such information as may be possessed by such person, has acted in good faith without willful or intentional misconduct.
- 5.7 Budgets and Financial Statements. Financial statements for the Association shall be prepared regularly and copies shall be distributed to each Member of the Association as follows:
- 5.7.1 Operating Statements. A pro forma operating statement or budget, for each fiscal year shall be distributed not less than sixty (60) days before the beginning of each fiscal year. The operating statement shall include a schedule of Assessments received and receivable, identified by the Building Lot number and the name of the Person or entity assigned.
- 5.7.2 Balance Sheet. Within ninety (90) days after the close of each fiscal year, the Association shall cause to be prepared and delivered to each Owner, a balance sheet as of the last day of the Associations' fiscal year and the annual operating statements reflecting the income and expenditures of the Association for its last fiscal year.

- 5.8 Meeting of Association. Each year the Association shall hold in addition to any other meetings an annual meeting of the Members, according to the schedule for such meetings established by the Bylaws, provided, that such meeting shall occur no earlier than February 15 and no later than March 31 each year. Only Members shall be entitled to attend Association meetings, and all other Persons may be excluded. Notice for all Association meetings, regular, or special, shall be given by regular mail to all Members, and any person in possession of a Building Lot, not less than ten (10) days nor more than thirty (30) days before the meeting and shall set forth the place, date and hour of the meeting and the nature of the business to be conducted. All meetings shall be held within the Property or as close thereto as practical at a reasonable place selected by the Board. The presence at any meeting in person of the Class B Member where there is such a member, and of the Class A Members representing Owners holding at least thirty (30%) percent of the total votes of all Class A Members, shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present shall adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was scheduled. A second meeting may be called as the result of such an adjournment, provided notice is given as provided above. At any such meeting properly called, the presence of any Member shall constitute a quorum.

ARTICLE VI: ARCHITECTURAL CONTROL, BASIC DESIGN CRITERIA

6.1 Architectural Design Criteria

Architectural Control:

Submission

- Prior to construction, plans must be submitted and approved by Jason Miller (208-960-2182) at the following address:
Skyline Ridge
Estates, LLC c/o
Jason Miller
jason@royalproc.com
21246B Notus Rd
Greenleaf, ID 83626
- Builder must submit 1 set of plans to ACC prior to start of construction. Plans need to include plot plan, all elevations, and a floor plan.
- Plans will be held until 30 days after completion.

Colors

- Paint chips, brick, stone, or stucco colors must be submitted for approval

Construction:

Architectural Shingles

- 25-year minimum
- Antique Black or other color as approved by ACC

Square Footage

- Minimum square footage for a single level: 1800 square feet of living area on half acre parcels. 2300 square feet of living area for 1 plus acres exclusive of all garages, porches or patios and bonus rooms.
- Purchaser of lot has 12 months to begin construction. Once construction has begun no more than 9 months to complete home.

Roof Pitch

- Minimum 6/12 roof pitch. Variances allowed with ACC approval
- Hip roofs acceptable upon design approval by ACC.

Elevations

- ACC reserves the right to reject plans which lack integrity and balance according to their judgment.
- Thirty (30) percent of its street view exterior surface as masonry, brick, glass (windows), stone, and/or stucco.
- Use of different siding styles is highly recommended
- Boxed or returned soffits
- Windows must have relief or additional trim materials to give definition
- Stone, brick or stucco - if home has architectural appeal the ACC may waive the stone, brick or stucco requirement. This must be obtained in writing.
- Minimum of 8-inch fascia
- Minimum 12-inch overhang. Must be flat on front elevation to accommodate exterior soffit can lights.
- No vinyl or metal siding except soffit and fascia boards
- No split entry homes will be approved

Garages

- Minimum 3 car garage with 3 entrances along front. Double deep will not count.
- Garage to be in proportion to the rest of the house. Garage to not dominate front elevation of home. Side entry, circular drive, or other alternative garage configurations highly encouraged.

Driveways/Sidewalks

- Curved lines, stamped patterns or other decorative design highly recommended
- Concrete driveways required with corrugated pipe along entry to allow for drainage.

Driveways/Sidewalks

- Curved lines, stamped patterns or other decorative design highly recommended
- Concrete driveways required with corrugated pipe along entry to allow for drainage.
- Asphalt driveways connecting concrete to outbuildings are acceptable.

Lighting

- Under eave soffit photocell can lights, along the front elevation are required. Any variance must be approved by the ACC.
- Each home is required to have a black pole light post within 5-10 ft of entry.

Minimum Setbacks

- Front: 25 feet on ½ acre, 35ft. on 1 acre plus
- Side: 12 for a single level, 20 feet for a two story
- Side, corner lot: 30 feet from property line
- Rear lot line: 20 feet

Landscaping

- The front and side lot must be landscaped and automatic sprinklers installed within 30 days (30) of occupancy weather permitting.
- The remainder of the lot must be improved within one (1) year of occupancy.
- Each home owner is required to apply 1 inch drain rock in drain swells along roadside.

Berms and trees

- 3 trees of 2" caliper or greater are required in front yard.
- Shrubbery, berming, decorative stone and/or other front landscaping features required.

Sprinklers

- Full, automatic sprinklers

Pressurized Irrigation

- Lots are under a pressurized irrigation system.

Fencing

- No 6 foot cedar fencing is allowed.
- These types of fencing will be allowed: Three rail white vinyl, white vinyl privacy, painted white wood or white composite.

Site Cleaning:

Debris

- All builders and subcontractors must operate a clean site with all debris cleaned daily. Builders and subcontractors not to allow garbage to blow to other sites.
- All Builders and subcontractors will make the best efforts to be courteous to the current residences No dogs or loud music during construction.

Weeds

- Weeds must be kept trimmed and properly disposed of.

Fines (site cleanup)

- Builders who do not comply will have 7 day written notice. If lot is not brought into compliance during that 7 day period builder will be subject to a fine equal to the cost of lot cleanup plus \$100.

Portable Toilets

- Each building site must have a portable toilet supplied by the Builder. This portable toilet must be available at the start of construction and removed immediately after construction is completed.

Variances

- The ACC has the authority to grant variances in accordance with the Declaration.

Signage Restrictions:

- Only ACC designated marketing company signage is approved. All other signage must be approved prior to placement including builder signs.

Homeowner's Dues:

Set-up Fee

- \$250.00 set-up fee collected at lot dosing.

Annual Dues

- Estimated \$250.00 annual dues, subject to change as needed.

Pressurized Irrigation

- Fees are to be determined on an annual basis.

- 6.2 Architectural Control Committee. In order to protect the quality and value of all homes built on the Property, and for the continued protection of the Owner's thereof, an ACC, consisting of three (3) or more members to be appointed by Grantor is hereby established. At such time as the all of the Building Lots owned by Grantor have been sold, then the membership of

the ACC shall be compromised of the Board of Directors of the Association. A two-thirds (2/3) vote of the ACC is required for approval.

- 6.3 Approval by Committee. No building, fence, wall, patio cover, window awning or other portion of the Property, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, location of the same, color, and such other detail as the ACC may require (including but not limited to any electrical, heating, or cooling systems, sewage or waste disposal systems) shall have been submitted to and approved in writing by the ACC. In the event the ACC fails to approve or disapprove such plans, specifications and location within thirty (30) days after said plans and specifications have been submitted to it in such form as may be required by the ACC. In writing, approval will not be required and this Article will be deemed to have been fully complied with.
- 6.4 Rules and Regulations. The ACC is hereby empowered to adopt rules to govern its procedures, including such rules as the ACC may deem appropriate with regard to the rights of the concerned parties due to be heard on any matter before the ACC. The ACC is further hereby empowered to adopt such regulations as it shall deem appropriate, consistent with the provisions of this Declaration, with regard to matters of design, materials and aesthetic interest. Such rules, after adoption shall have the same force and effect as if set forth in full herein.

ARTICLE VII: RIGHTS TO COMMON AREAS

- 7.1 Use of Common Area. Every Owner shall have a right to use each parcel of the Common Area, which right shall be appurtenant to and shall pass with the title to every Building Lot, subject to the following provisions:
- 7.1.1 The right of the Association holding or controlling the Common Area to levy and increase Assessments;
- 7.1.2 The right of the Association to suspend the voting rights and right to use of, or interest in, Common Area by an Owner for any period during which any Assessment or charge against such Owner's Building Lot remains unpaid;
- 7.1.3 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be permitted by the Articles and Bylaws and agreed to by the Members. No dedication or transfer of said Common Area shall be effective unless an instrument agreeing to such dedication or transfer signed

by Members representing two-thirds (2/3) of each class of Members has been recorded;

- 7.1.4 The right of the Association to prohibit the construction of structures or Improvements on the Common Area;
- 7.1.5 The right of the Association to suspend any Member's voting right, for any period during which any assessments against said Member's property remain unpaid, and for a period not to exceed thirty (30) days for each infraction of its published rules and regulations;
- 7.1.6 The right of the Association to publish reasonable rules and regulations governing the use of the Common Area.
- 7.1.7 The right of the Association to publish reasonable rules and regulations governing the use of the Common Area.
- 7.2 Designation of Common Area. Grantor shall designate and reserve the Common Area in this Declaration, and/or recorded Plats, deeds or other instruments and/or *as* otherwise provided herein.
- 7.3 Delegation of Rights to Use. Any Owner may delegate, in accordance with the respective Bylaws of the Association such Owner's right of enjoyment to the Common area, to the members of such Owner's family residence, and such Owner's tenants or contract purchasers who reside on such Owner's Building Lot.
- 7.4 Damages. Each Owner shall be fully liable for any damage to any Common area which may be sustained by reason of the negligence or willful misconduct of the Owner, such Owner's resident tenant or contract purchaser, or such Owner's family guests, both minor and adult. In the case of a joint ownership of a Building Lot, the liability of such Owner's shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against the Building Lot and may be collected as provided herein for the collection of other Assessments. No Owner shall be liable for any amounts greater than is legally allowable under Idaho law.

ARTICLE VIII: ASSESSMENTS

- 8.1 Covenant to Pay Assessments. By acceptance of a deed to any Building Lot or other Property on The Taylor Ridge Subdivision, each Owner of such Property hereby covenants and agrees (whether or not it is expressed in the deed) to pay when due all Assessments or charges made by the Association, including all Regular, Special, and Limited Assessments and

charges made against such Owner pursuant to the provisions of this Declaration or other applicable instrument.

- 8.1.1 Assessment Constitutes Lien. Such Assessments and charges together with interest, costs and reasonable attorney's fees which may be incurred in collecting the same, shall be a charge and continuing lien upon the Building Lot(s) owned by the Owner who is obligated to the Association for such Assessments or charges.
- 8.1.2 Assessment is Personal Obligation. Each such Assessment, together with interest, costs and reasonable attorney's fees shall be the personal obligation of the Owner of the particular Building Lot(s) against which such Assessment is made beginning with the time when the Assessment falls due. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them but shall remain such Owner's personal obligation regardless of whether he remains an Owner.
- 8.2 Regular Assessments. All owners, including Grantor, are obligated to pay Regular Assessments to the treasurer of the Association on a schedule of payments established by the Board.
 - 8.2.1 Purpose of Regular Assessments. The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by the Association, including legal and attorney fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, protection, maintenance, repair, management, and operation of the Common Area, including all Improvements located on such areas owned and/or managed and maintained by the Association, and an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements of the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (collectively "Expenses").
 - 8.2.2 Computation of Regular Assessments. The Association shall compute the amount of its Expenses on an annual basis. The Board shall compute the amount of Regular Assessments owed beginning the first day of the third month following the month in which the closing of the first sale of a Building Lot occurred in The Taylor Ridge Subdivision for the purposes of the Association's Regular Assessment ("Initiation Date"). Thereafter, the computation of Regular Assessments shall take place not less than thirty (30) days or more than sixty (60) days before the beginning of each fiscal year of an Association. The computation of the Regular

Assessment for the period from the Initiation date until the beginning of the next fiscal year shall be adjusted by an amount which fairly reflects the fact that such period was less than one year.

8.2.3 Amounts Paid by Owners. The Board can require, in its discretion or as provided in the Articles or Bylaws, payment of Regular Assessments in monthly, quarterly, semi-annual or annual installments. The Regular Assessment to be paid by any particular Owner, including Grantor, for any given fiscal year shall be computed by multiplying the Associations' total advance estimate of Expenses by the fraction produced by dividing the Building Lots attributable to the Owner by the total number of Building Lots in the Property.

8.3 Special Assessments.

8.3.1 Purpose and Procedure. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year is or will be inadequate to meet the Expenses of the Association for any reason, including but not limited to cost of construction, reconstruction, unexpected repairs or replacement of capital improvements upon the Common Area, attorney's fees and/or litigation costs, other professional fees, or for any other reason, the Board thereof shall determine the approximate amount necessary to defray such Expenses and levy a Special Assessment against the portions of the Property within its jurisdiction which shall be computed in the same manner as Regular Assessments. No Special Assessments shall be levied which exceeds twenty percent (20%) of the budgeted gross Expenses of the Association for that fiscal year, without the vote or written assent of the Owners representing a majority of the votes of the Members of the Association. The Board shall, in its discretion, determine the schedule under which such Special Assessment shall be paid.

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

8.4 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, a Board may levy a Limited Assessment against an Owner as a remedy to reimburse the Association for costs incurred in bringing the Owner and/or such Owner's Building Lot(s) into compliance with the provisions of the Articles, Bylaws, this

Declaration, and other governing instruments for The Purple Sage Subdivision.

Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments shall be fixed at a uniform rate per Building Lot for all Members of the Association.

Assessment Period. Unless otherwise provided in the Articles or Bylaws, the Assessment Period shall commence on April 1 of each year and terminate March 31 of each year. The first Assessment shall be pro-rated according to the number of months remaining from the Initiation Date to the fiscal year and shall be payable in equal monthly or quarterly installments, as determined by the board, as per paragraph 8.2.3 above.

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

- 8.8 Estoppel Certificate. The Association, upon at least twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Building Lot Owner is in default under the provisions of this Declaration, and further stating the dates to which any Assessments have been paid by the Owner. Any such certificate delivered pursuant to this paragraph 8.8 may be relied upon by any prospective purchaser or mortgagee of the Owner's Building Lot. Reliance on such Certificate may not extend to any default as to which the signor shall have had no actual knowledge.

- 8.9 Special Notice and Quorum Requirements. Notwithstanding anything to the contrary contained in either the Bylaws or the Articles, written notice of any meeting called for the purpose of levying a Special Assessment. or for the purpose of obtaining a membership vote in connection with an increase in the Regular Assessment, shall be sent to all members of the Association and to any person in possession of a Building Lot, not less than fifteen (15) days nor more than thirty (30) days before such meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of the total votes of the Association shall constitute a quorum. If such quorum is not present, subsequent meetings may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be fifty percent (50%) of the quorum required at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

ARTICLE IX: ENFORCEMENT OF ASSESSMENTS: LIENS

- 9.1 Right to Enforce. The Association has the right to collect and enforce its Assessments pursuant to the provisions hereof. Each Owner of a Building Lot, upon becoming an owner of such Building Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy obtained against such Owner. The Board or its authorized representatives may enforce the obligations of the Owner to pay such Assessments by commencement and maintenance of a suit at law or in equity, or the Board may exercise the power of foreclosure and sale pursuant to paragraph 9.3 to foreclose the liens created hereby. A suit to recover a money judgment for an unpaid Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.
- 9.2 Assessment Liens.
- 9.2.1 Creation. There is hereby created a claim of lien with power of sale on each and every Building Lot to secure payment of any and all Assessments levied against the Owner and his/her Building Lot(s) pursuant to this Declaration together with interest thereon at the maximum rate permitted by law and all costs of collection which may be paid or incurred by the Association marking the Assessment in connection therewith, including reasonable attorney's fees. All sums assessed in accordance with

provisions of this Declaration shall constitute a lien on such respective Building Lots upon recordation of a claim of lien with the Canyon County, Idaho Recorder. To the extent permitted by law, such lien shall be prior and superior to all other liens or claims created subsequent to the recordation of the notice of delinquency and claim of lien except for tax liens for real property taxes on any Building Lot and Assessments on any Building Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

- 9.2.2 Claim of Lien. Upon default of any Owner in the payment of any Regular, Special, or Limited Assessment issued hereunder, the Association may cause to be recorded in the office of the Canyon County Recorded claim of lien. The claim of lien shall state the amount if such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Building Lot(s) against which the same have been assessed, and the name of the record Owner thereof. Each delinquency shall constitute a separate basis for a notice and claim of lien, but any number of defaults may be included within a single notice and claim of lien. Upon payment to the Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction of relief of such delinquent sums and charges. The Association may demand and receive the cost of preparing and recording such release before recording time.
- 9.3 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court by a non-judicial power of sale by the Association, its attorney's or other person authorized to make the sale. Such non-judicial power of sale shall be conducted in accordance with the provisions of the Idaho Code applicable to the exercise of powers of sale permitted by law. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any Title Company authorized to do business in Idaho as trustee for the purpose of conducting such non-judicial power of sale or foreclosure.
- 9.4 Required Notice. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclosure the lien created by recordation of the notice of delinquency and claim of lien, whether judicially, by power of sale or otherwise, until the expiration of thirty (30) days after a copy of such claim lien has been deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Building Lot(s) described in such notice of delinquency and claim of lien, and to the Person in possession of such Building Lot(s), and a copy thereof is recorded by the Association in the Office of Canyon County Recorder.

- 9.5 Subordinate of Liens to Certain Deeds of Trust and/or Mortgages. The lien securing Assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust given and made in good faith and for value that is of record as an encumbrance against such Building Lot prior to the recordation of a claim of lien for the Assessments.
- 9.6 Duration of Lien. The sale or transfer of any Building Lot shall not affect the Assessment lien; however, the sale or transfer of any Building Lot pursuant to foreclosure or a senior mortgage, deed of trust, or other lien shall extinguish the lien of such Assessment as to payments which became due prior to such foreclosure sale. However, such foreclosure shall not affect the personal liability of the Owner for such Assessments. In addition, no sale or transfer shall relieve such Building Lot from liability, or the lien to secure the same, for any Assessment becoming due after the foreclosure sale.
- 9.7 Rights of Beneficiaries and Mortgagees. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat the rights of the Beneficiary under any deed of trust or the Mortgagee under any mortgage upon a Building Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such deed of trust or mortgage such Building Lot shall remain subject to this Declaration as amended.

ARTICLE X: EASEMENTS

- 10.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Building Lot and such portions of the Common Area adjacent thereto as between adjacent Building Lots due to the unwilful placement or settling or shifting of the Improvements included but not limited to structures, walkways, bike paths, sidewalks and driveways constructed, reconstructed, or altered thereon in accordance with the terms of this Declaration. Easements of encroachment shall be valid only so long as they exist, and the rights and obligations of Owners shall not be altered in any way because of encroachments, settling or shifting of the Improvements; provided, however, that in no event shall a valid easement for encroachments occur due to willful act or acts of an Owner. In the event a structure on any Building Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Building Lot agree that minor encroachment may be reconstructed pursuant to the easement granted by this paragraph.
- 10.2 Easements for Access. Grantor expressly reserves for the benefit of all the Property reciprocal easements of access, ingress and egress for allowners

to and from their respective Building Lots for installation and repair of utility services, for drainage of water, over across and upon adjacent Building Lots or Common Area, resulting from the normal use of adjoining Building Lots, and common Area, and for necessary maintenance and repair of any Improvement including, fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping. Such easements may be used by Grantor, and by all Owners, their guest, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Building Lot or Common Area.

10.3 Drainage and Utility Easements. Notwithstanding anything expressly or implied contained herein to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Grantor for the installation and maintenance of utilities and drainage facilities that are required for the development of the Property. In addition, Grantor hereby reserves for the benefit of the Association the right to grant additional easements as necessary or expedient for the proper development of the Property until close of escrow for the sale of the last Building Lot in the Property to a purchaser.

10.3.1 Improvement of Drainage and Utility Easement Areas. The Owners of Building Lots are hereby restricted and enjoined from constructing any improvements on the Plat of The Taylor Ridge Subdivision or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for such purpose; provided, however that the Owner of such Building Lots and Grantor, Association or designated entity with regard to the landscaping easement described in the Article X, shall be entitled to install and maintain landscaping on such easement areas, and also shall be entitled to build and maintain fencing on such easement areas subject to approval by the ACC. so long as the same would not interfere with or prevent the easement areas from being used for their intended purposes; provided, that any damage sustained to improvements on the easement areas a result legitimate use of the easement area shall be the sole and exclusive obligation of the Owner of the Building Lot whose Improvements were so damaged.

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

10.4.1 Wherever utility house connections are installed within the Property, which connections or any portions thereof lie in or upon

Building Lots owned by an Owner other than the Owner of the Building Lot served by the connections, the Owner of the Building Lot served by the connections shall have the right, and is hereby granted an easement to the full extent necessary therefore, to enter upon any Building Lot or to have their agent upon any Building Lot within the Property in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain the connections as and when it may be necessary.

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

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

10.6 Disputes as to Sharing of Costs. In the event of a dispute between Owners with respect to the repair or rebuilding of utility connections or driveways, or with respect to the cost therefore, upon written request of one of such owners addressed to the Association, the matter shall be submitted to the Board which shall decide the dispute, and if appropriate, make an appropriate Assessment against any or all of the Owners involved on behalf of the prevailing Owner(s), which Assessment shall be collected and enforced in the manner provided by this Declaration for Limited Assessments.

ARTICLE XI: MISCELLANEOUS

11.1 Term. The easements created hereunder shall be perpetual, subject only to extinguishment by the holders of such easements as provided by law. The covenants, conditions, restrictions and equitable servitudes of this Declaration shall run until December 31, 2017, unless amended as herein provided. After automatically extended for successive periods of ten (10) years each, unless amended as herein provided. After December 31, 2017, such covenants, conditions and restrictions shall be automatically extended for successive ten (10) years each, unless amended or extinguished by a written instrument executed by Members holding at least three-fourths (3/4) of the voting power of the Association and such written instrument is recorded with the Canyon County Recorder. Further

provided that the Association shall not be dissolved without the prior written approval of the City of Middleton and the Canyon County Highway District such consent to unreasonable provided that a responsible successor organization shall agree to perform those maintenance responsibilities arising from applicable city and county governmental requirements.

11.2 Amendments.

11.2.1 By Grantor. Except as provided in paragraph 12.2.3 below, until the recordation of the first deed to a Building Lot in the Property, the provisions of this Declaration may be amended, modified, clarified, supplemented, added to (collectively "amendment") or terminated by Grantor by recordation of a written instrument setting forth such amendment or termination.

11.2.2 By Owners. Except where a greater percentage is required by express provision in the Declaration, any amendment to the provisions of the Declaration, other than this Article XII, shall be by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying and attesting that such amendment has been approved by the vote or written consent of Owner's representing more than fifty percent (50%) of the votes in the Association, and such amendment shall be effective upon its recordation with the Canyon County Recorder. Any amendment to this Article XII shall require the vote or written consent of Members holding ninety-five percent (95%) of the voting power of the Association.

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

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

- 11.4 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may 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, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association, as provided in this paragraph.
- 11.5 Enforcement and Non-Waiver.
- 11.5.1 Right of Enforcement. Except as otherwise provided herein, any Owner of any Building Lot, or the Association, shall have the right to enforce any or all of the provisions hereof against any property within the Property and Owners thereof.
- 11.5.2 Violations and Nuisances. The failure of any Owner of a Building Lot to comply with any provision hereof, or with any provision of the Articles or Bylaws of the Association, is hereby declared a nuisance and will give rise to a cause of action in Grantor, the Association, or any Owner Building Lot(s) within the property for recovery of damages or for negative or affirmative injunctive relief or both. However, any other provision to the contrary notwithstanding, only Grantor, the Association, the Board, or a duly authorized agent of any of them, may enforce by self-help any of the provisions hereof only if such self-help is preceded by reasonable notice to the Owner.
- 11.5.3 Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Property is hereby declared to be a violation of the Declaration and subject to any or all of the enforcement procedures set forth in this Declaration and any or all enforcement procedures in law and equity.
- 11.5.4 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.
- 11.5.5 Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision.
- 11.6 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the

development and operation of the Property. This Declaration shall be constructed and governed under the laws of the State of Idaho.

- 11.6.1 Restrictions Construed Together. All of the provisions hereof shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the recitals of this Declaration.
- 11.6.2 Restrictions Severable. Notwithstanding the provisions of the foregoing paragraph 11.6.1, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.
- 11.6.3 Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each including the masculine, feminine and neutral.
- 11.6.4 Captions. All captions and titles used in this Declaration are intended solely for convenience or reference and shall not affect that which is set forth on any of the provisions hereof.
- 11.7 Successors and Assigns. All references herein to Grantor, Owners, the Association or Person shall be construed to include all successors, assigns, partners and authorized agents of such Grantor, Owners, Association or Person.
- 11.8 Mortgagees' Right to Satisfy Obligations of the Association. In the event that the Association fails to pay any debt or sum lawfully owed by it, for which a lien has been placed against the Common Area, or in the event that the Association fails to pay premiums due on insurance policies required by this Declaration, the lapse of which would jeopardize a mortgagee's security in any Building Lot, such Mortgagee may pay said premium after first having served five (5) days, written demand for such payment on the Association. In the event that the Association has allowed said insurance policies to lapse, any such mortgagee whose security in any Building Lot is jeopardized thereby may secure new comparable insurance coverage. In the event that such mortgage makes payments allowed hereunder, it shall be entitled to prompt reimbursement from the Association.
- 11.9 Annexation. Additional real property may be annexed to the Property and brought within the provisions of the Declaration by the Grantor, its successors or assigns, at any time and from time-to-time without the approval of any Owner or the Association while Grantor is still a Class B

Member. As such annexed real property is developed, Grantor shall record a supplemental Declaration with respect thereto which shall annex such real property to the Property and which may supplement the Declaration with additional or different covenants, conditions, restrictions, reservations, and easements as Grantor may deem appropriate therefore, and may delete or modify as to such annexed real property, so long as the quality of development of the Property is not materially adversely affected thereby. The Board shall have the right to annex additional real property to the Property upon approval by vote or written consent of all Members entitled to vote of not less than two-thirds (2/3) of the voting power of both classes of Members.

- 11.10 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.
- 11.11 No Trespass. Any action by the Association or its agents authorized by this Declaration upon or in relation to any Owner's Building Lot(s) shall be deemed authorized and consensual, and the Owner shall be deemed to have waived any claims for trespass or unlawful entry upon the Building Lot(s).

