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LEGEND

- 5/8" rebar found
- set 5/8" x 30" rebar w/plastic cap
- calculated point, not set
- set 1/2" x 24" rebar w/plastic cap
- ⊙ 3/4" aluminum cap set
- set 3/8" x 18" rebar on lot line for line pins on the rim.

BEARINGS BASED ON STATE PLANE GRID

BLACKHAWK RANCH

PHASE I

SITUATE IN
Sec. 1, T. 17 N., R. 2 E., B.M.
and Sec. 36, T. 18 N., R. 2 E., B.M.,
VALLEY COUNTY, IDAHO

HEALTH CERTIFICATE

Sanitary restrictions as required by Idaho Code, Title 58, Chapter 13 have been satisfied. Sanitary restrictions may be re-imposed in accordance with Section 50-1326, Idaho Code, by the issuance of a certificate of disapproval.

District Health Department, EHS

Date

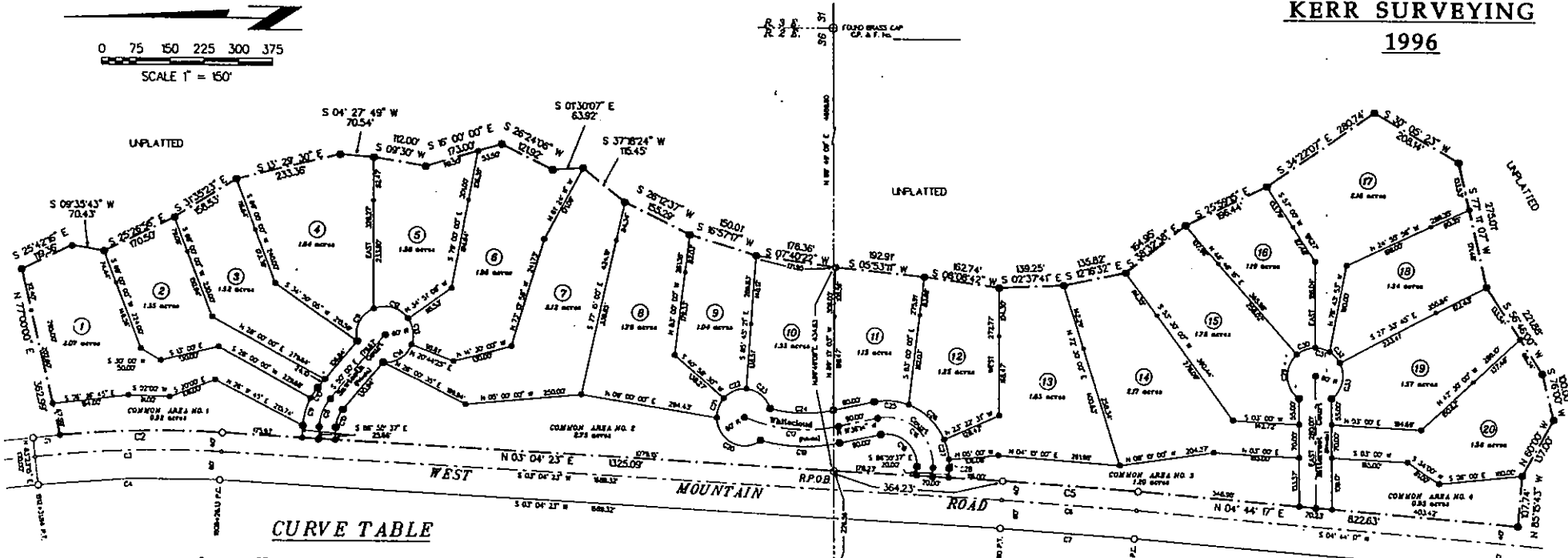
Instrument No. 221852

KERR SURVEYING

1996

0 75 150 225 300 375

SCALE 1" = 150'



CURVE TABLE

	R	DEL	C	CHD BRG	T	L
C1	2440.00	01° 20' 52"	57.40'	N 05° 56' 18" W	25.70'	57.40'
C2	2440.00	08° 20' 16"	354.75'	N 01° 05' 45" W	172.85'	355.07'
C3	2400.00	09° 41' 08"	405.22'	N 01° 48' 11" W	203.34'	405.71'
C4	2340.00	33° 41' 08"	395.09'	N 01° 46' 11" W	198.25'	395.52'
C5	10040.00	01° 39' 54"	291.75'	N 03° 34' 20" W	145.89'	291.76'
C6	10000.00	01° 39' 54"	290.59'	N 03° 34' 20" W	145.31'	290.60'
C7	9940.00	31° 39' 54"	288.84'	N 03° 34' 20" W	144.44'	288.85'
C8	100.00	36° 55' 37"	63.34'	S 68° 27' 49" E	33.39'	64.45'
C9	135.00	25° 50' 26"	60.37'	N 74° 00' 24" W	30.97'	60.89'
C10	135.00	11° 05' 11"	56.08'	N 55° 32' 33" W	13.10'	26.12'
C11	60.00	80° 53' 00"	77.84'	N 40° 44' 04" W	23.43'	64.69'
C12	60.00	78° 34' 44"	75.99'	N 15° 51' 39" E	49.09'	82.28'
C13	60.00	55° 33' 33"	55.98'	N 82° 56' 39" E	31.63'	58.22'
C14	60.00	42° 40' 19"	71.05'	S 32° 28' 21" E	44.65'	77.05'
C15	65.00	36° 55' 37"	41.17'	S 68° 27' 49" E	21.70'	41.89'
C16	100.00	104° 40' 37"	158.33'	N 40° 44' 04" E	129.56'	182.70'
C17	355.00	33° 24' 49"	204.11'	S 05° 06' 11" E	108.55'	207.03'
C18	65.00	104° 40' 37"	102.91'	N 40° 44' 04" W	84.22'	118.79'
C19	380.00	25° 54' 15"	174.83'	S 01° 20' 53" W	89.69'	176.32'
C20	60.00	124° 39' 04"	106.27'	S 25° 58' 39" E	114.41'	130.53'
C21	60.00	42° 40' 19"	43.66'	N 70° 21' 39" W	23.43'	44.69'
C22	60.00	53° 16' 09"	53.80'	N 22° 23' 25" W	30.09'	55.78'
C23	60.00	67° 30' 31"	66.97'	N 38° 09' 55" E	40.35'	71.04'
C24	370.00	35° 03' 19"	139.19'	N 00° 59' 25" E	71.30'	140.31'
C25	135.00	32° 02' 13"	74.51'	N 04° 24' 52" E	38.76'	75.49'
C26	135.00	46° 11' 30"	105.91'	N 43° 31' 44" E	57.57'	108.84'
C27	135.00	48° 22' 57"	43.11'	N 75° 48' 44" E	21.84'	43.30'
C28	135.00	08° 04' 23"	18.00'	N 89° 02' 12" W	9.53'	18.02'
C29	60.00	103° 05' 09"	93.97'	S 87° 13' 42" E	75.55'	107.95'
C30	60.00	41° 13' 44"	42.25'	N 20° 36' 52" E	22.57'	43.17'
C31	60.00	11° 33' 07"	60.00'	N 15° 11' 37" E	12.76'	32.69'
C32	60.00	31° 13' 08"	32.29'	N 46° 49' 41" E	16.76'	32.69'
C33	60.00	81° 52' 36"	78.83'	S 76° 37' 26" E	52.04'	85.74'

12 FT UTILITY EASEMENT
ALONG ALL ROADS

BUILDING SETBACKS
SHALL CONFORM
TO THE CURRENT
REGULATIONS

No building or shelter which will require a water supply or a sewage disposal facility for people using the premises where such building or shelter is located shall be erected until written approval is first obtained from the State Board of Health, by its administrator or his delegate approving plans and specifications either for public water and/or sewage facilities or individual parcel water and/or sewage facilities

This plot is subject to compliance with I.C. Section 31-3805. No irrigation water shall be supplied to any lot hereon.

BLACKHAWK RANCH - PHASE I

BOOK 8 PAGE 82
OF PLATS
NST NO. 221851

CERTIFICATE OF OWNERS

KNOW ALL MEN BY THESE PRESENTS; that the undersigned is the owner of a parcel of land situate in Government Lots 6 and 7, Section 36, T. 18 N., R. 1 E., and Government Lot 4, and the SW 1/4 of the NW 1/4 of Section 1, T. 17 N., R. 2 E., Boise Meridian, Valley County, Idaho, more particularly described as follows:

Commencing at an aluminum cap marking the south Section Corner common to Sections 35 and 36, T. 18 N., R. 2 E., B.M., Valley County, Idaho; thence, N. 89° 49' 09" E., 226.56 feet along the south boundary of said Section 36 to an aluminum cap on the easterly right-of-way of West Mountain Road, the REAL POINT OF BEGINNING:

Thence, N. 3° 04' 23" E., 1325.09 feet along said right-of-way to a 5/8 inch rebar;
thence, 355.07 feet along said right-of-way on a curve to the left whose radius is 2440.00 feet and delta angle is 8° 20' 16", to a
thence, N. 77° 00' 00" E., 362.99 feet to a 5/8" rebar,
thence, S. 25° 42' 16" E., 119.36 feet to 5/8" rebar,
thence, S. 09° 35' 43" W., 70.43 feet to 5/8" rebar,
thence, S. 25° 26' 58" E., 170.50 feet to a 5/8" rebar,
thence, S. 31° 35' 23" E., 158.43 feet to a 5/8" rebar,
thence, S. 13° 29' 30" E., 233.36 feet to a 5/8" rebar,
thence, S. 04° 27' 49" W., 70.54 feet to 5/8" rebar,
thence, S. 09° 30' 00" W., 112.00 feet to a 5/8" rebar,
thence, S. 00° 00" E., 173.00 feet to a 5/8" rebar,
thence, S. 26° 24' 06" W., 121.00 feet to a 5/8" rebar,
thence, S. 01° 30' 07" E., 63.92 feet to a 5/8" rebar,
thence, S. 37° 18' 24" W., 115.45 feet to a 5/8" rebar,
thence, S. 26° 12' 37" W., 155.29 feet to a 5/8" rebar,
thence, S. 18° 57' 17" W., 150.01 feet to a 5/8" rebar,
thence, S. 07° 40' 22" W., 176.36 feet to a 5/8" rebar,
thence, S. 05° 53' 11" W., 192.91 feet to a 5/8" rebar,
thence, S. 08° 08' 42" W., 162.74 feet to a 5/8" rebar,
thence, S. 02° 37' 41" E., 139.25 feet to a 5/8" rebar,
thence, S. 12° 16' 32" E., 135.82 feet to a 5/8" rebar,
thence, S. 38° 32' 38" E., 164.95 feet to a 5/8" rebar,
thence, S. 25° 59' 15" E., 196.44 feet to a 5/8" rebar,
thence, S. 34° 22' 07" E., 280.74 feet to a 5/8" rebar,
thence, S. 30° 05' 23" W., 208.14 feet to 5/8" rebar,
thence, S. 77° 11' 07" W., 275.01 feet to a 5/8" rebar,
thence, S. 56° 46' 00" W., 221.88 feet to a 5/8" rebar,
thence, S. 76° 00' 00" W., 100.00 feet to a 5/8" rebar,
thence, N. 60° 00' 00" W., 137.00 feet to a 5/8" rebar,
thence, N. 85° 15' 43" W., 107.74 feet to the easterly right-of-way of West Mountain Road, a 5/8" rebar.
thence, N. 04° 44' 17" E., 822.63 feet along said easterly right-of-way to a 5/8" rebar,
thence, 291.76 feet along said easterly right-of-way on a curve to the left whose radius is 10,040.00 feet and delta angle is 01° 39' 54",
thence, N. 03° 04' 23" E., 364.23 feet along said easterly right-of-way to the Point of Beginning, containing 40.394 acres, more or less.

Bearings based on State Plane Grid Azimuth.

THAT IT IS THE INTENTION OF THE UNDERSIGNED TO AND THEY DO HEREBY INCLUDE SAID LAND IN THIS PLAT. THE EASEMENTS INDICATED ON SAID PLAT ARE NOT DEDICATED TO THE PUBLIC, BUT THE RIGHT TO USE SAID EASEMENTS IS HEREBY PERPETUALLY RESERVED FOR PUBLIC UTILITIES AND FOR SUCH OTHER USES AS DESIGNATED HEREON, AND NO STRUCTURES OTHER THAN FOR SUCH UTILITY PURPOSES ARE TO BE ERRECTED WITHIN THE LINES OF THE EASEMENTS.

THE OWNERS HEREBY CERTIFY THAT THE INDIVIDUAL LOTS SHOWN IN THE PLAT WILL NOT BE SERVED BY ANY WATER SYSTEM COMMON TO ONE (1) OR MORE OF THE LOTS, BUT WILL BE SERVED BY INDIVIDUAL WELLS. THE OWNERS FURTHER CERTIFY THAT THEY WILL COMPLY WITH DAHO CODE 31-3805 CONCERNING IRRIGATION RIGHTS AND DISCLOSURE.

ALL ROADS AS SHOWN ON THE FOREGOING PLAT ARE PRIVATE, AND THE COUNTY HAS NO RESPONSIBILITY IN CONNECTION THEREWITH.

L. B. INDUSTRIES, INC.

BY: JAMES K. BALL, MANAGING DIRECTOR
PROPERTY DIVISION, L. B. INDUSTRIES, INC.

ACKNOWLEDGEMENT

STATE OF DAHO } S.S.
COUNTY OF _____

ON THIS _____ DAY OF _____, 19____, BEFORE ME THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED JAMES K. BALL, MANAGING DIRECTOR, KNOWN TO ME TO BE AN OFFICER OF L.B. INDUSTRIES INC., THE CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED THE SAME.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED MY OFFICIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST ABOVE WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC FOR THE STATE OF DAHO

CERTIFICATE OF SURVEYOR

I, THOMAS W. KERR, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR IN THE STATE OF DAHO, AND THAT THIS PLAT AS DESCRIBED IN THE "CERTIFICATE OF OWNERS" WAS DRAWN FROM THE FIELD NOTES OF A SURVEY MADE ON THE GROUND UNDER MY DIRECT SUPERVISION AND ACCURATELY REPRESENTS THE POINTS PLATTED HEREON, AND IS IN CONFORMITY WITH THE STATE OF DAHO CODE RELATING TO PLATS AND SURVEYS.



THOMAS W. KERR
IDAHO NO. 998

APPROVAL OF THE COUNTY COMMISSIONERS

ACCEPTED AND APPROVED THIS _____ DAY OF _____, 19____, BY THE VALLEY COUNTY COMMISSIONERS.

CHAIRMAN

APPROVAL OF THE COUNTY SURVEYOR

I, LESLIE L. ANKENMAN, PROFESSIONAL LAND SURVEYOR FOR VALLEY COUNTY, DAHO, DO HEREBY CERTIFY THAT I HAVE CHECKED THIS PLAT AND THAT IT COMPLIES WITH THE STATE OF DAHO CODE RELATING TO PLATS AND SURVEYS.

VALLEY COUNTY SURVEYOR

CERTIFICATE OF THE COUNTY TREASURER

I, THE UNDERSIGNED COUNTY TREASURER IN AND FOR THE COUNTY OF VALLEY, STATE OF DAHO, PER THE REQUIREMENTS OF IC. 50-1308, DO HEREBY CERTIFY THAT ANY AND ALL CURRENT AND OR DELINQUENT COUNTY PROPERTY TAXES FOR THE PROPERTY INCLUDED IN THIS SUBDIVISION HAVE BEEN PAID IN FULL. THIS CERTIFICATION IS VALID FOR THE NEXT THIRTY (30) DAYS ONLY.

DATE _____

COUNTY TREASURER

CERTIFICATE OF COUNTY RECORDER

INSTRUMENT NUMBER _____

STATE OF DAHO } S.S.
COUNTY OF VALLEY

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF _____ DAY OF _____, AT _____ MINUTES PAST _____ O'CLOCK _____ M., ON THIS _____ DAY OF _____, 19____, AND DULY RECORDED IN BOOK _____ OF PLATS ON PAGE _____

APPROVAL OF THE VALLEY COUNTY PLANNING AND ZONING COMMISSION

ACCEPTED AND APPROVED THIS _____ DAY OF _____, 19____, BY THE VALLEY COUNTY PLANNING AND ZONING COMMISSION.

CHAIRMAN

DEPUTY

EX-OFFICIO RECORDER

BLACKHAWK RANCH MASTER

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Article 1: Recitals

- 1.1 Property Covered. The property potentially subject to this Master Declaration of Covenants, Conditions and Restrictions for Blackhawk Ranch is the property legally described in Article 2 hereof which property consists of approximately 1100 acres approved by Valley County for the development of up to 277 residential units ("Blackhawk Ranch"). Grantor (hereinafter "Declarant") intends to develop the Property in multiple development Phases, as defined below. Each Phase, and any property otherwise annexed into Blackhawk Ranch shall be subject to this Master Declaration through a Supplemental Declaration, and all property made subject to this Master Declaration shall be referred to as the "Property". Unless and until a Supplemental Declaration is filed with the Valley County Recorder's Office, no property located within Blackhawk Ranch or otherwise shall be subject to this Master Declaration. Each Owner, by accepting a deed to any portion of the Property, acknowledges and agrees that Grantor is under no obligation to subject any portion of Blackhawk Ranch to this Master Declaration.
- 1.2 Residential Development. Blackhawk is a residential development, which Declarant currently intends to develop in accordance with existing development approvals obtained by Declarant from Valley County, or any other development plan(s) for which Declarant may from time to time obtain approval from Valley County (the "Master Plan and Plat"). The Property will be developed for single-family residential homes, including, without limitation, single-family detached housing.
- 1.3 Purpose of Master Declaration. The purpose of this Master Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively "Covenants and Conditions") that will apply to the entire development and use of any and all portions of the Property. The Covenants and Conditions are designed to protect, enhance and preserve the value, amenities, desirability, and attractiveness of the Property; to ensure a well-integrated, high quality development; and to guarantee adequate maintenance of the Common Area, including any improvements located thereon in a cost effective and administratively efficient manner.

Article 2: Property Subject to this Declaration of Protective Covenants

L. B. Industries, Inc. ("Declarant"), an Idaho corporation having its principal place of business and mailing address located at P.O. Box 2797, 1401 Shoreline Drive, Boise, Idaho, 83701, is the Owner of all of that property within the subdivision named Blackhawk Ranch in Valley County, Idaho. The real property which is, and shall be conveyed, transformed, occupied, and sold subject to the covenants and conditions, restrictions, reservations and easements ("Covenants and Conditions") as set forth within the various clauses and covenants of this Declaration is located in the County of Valley, State of Idaho, and is more particularly described in Exhibit "A".

attached hereto and incorporated herein by reference. Declarant hereby declares that the Property, and each lot, parcel or portion thereof, is and/or shall be held, sold, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms and Conditions and Covenants, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms and Covenants and Conditions set forth herein shall run with the land constituting the Property, and with each estate therein, and shall be binding upon any Person having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; shall inure to the benefit of every lot, parcel or portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon the Declarant, Declarant'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 Declarant, any grantee or grantee's successor, any Owner or Owner's successors, or by the Master Association, or any Local Association. In the event any conflict between this Master Declaration and any other of the project documents, other than expressly unique covenants, conditions, restrictions and easements in Phases, this Master Declaration shall control.

Article 3: General Purposes and Definitions

- 3.1 The real property described in Article 1 hereof is subject to the covenants and conditions, restrictions, reservations, and easements hereby declared to ensure the best use and the most appropriate development and improvement of each Building Site thereof; to protect the Owners of Building Sites against such improper use of surrounding Building Sites as will depreciate the value of their property; to preserve, so far as practical, the natural beauty of such property; to prevent the construction of improper or unsuitable Improvements; to encourage and secure the erection of attractive dwellings thereon; and in general to create and keep the Subdivision, insofar as possible, desirable, attractive, beneficial, and suitable in architectural design, materials and appearance; to guard against fires and unnecessary interference with the natural beauty of the Subdivision and to provide adequately for the improvement of said property; all for the mutual benefit and protection of the Owners of Lots and Building Sites in the Subdivision.
- 3.2 Blackhawk Ranch Master Plan has been approved by Valley County Planning and Zoning.
- 3.3 As used herein the following words and terms shall have the following meanings.
 - 3.3.1 "Architectural Control Committee" shall mean that certain committee initially established by the Declarant (and later maintained by the Master Association) to review and approve construction plans and plans for improvement of the Building Sites within the Subdivision.
 - 3.3.2 "Articles" shall mean the Articles of Incorporation of an Association or other organization or charter documents of an Association.

3.3.3 "Assessments" shall mean those payments required of Owners who are Master Association Members or Local Association Members, including Regular, Special and Limited Assessments. The Master Association and/or any Local Association shall have the right to require assessments from their respective Members, however all Local Association Assessments shall be levied by and through the Master Association.

3.3.4 "Association" shall mean the Master Association and/or any Local Association; whichever is appropriate in the context.

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

3.3.6 "Blackhawk Ranch Master Property Owners' Association, Inc." (or other such similar name adopted to act as a master property owner's association covering Blackhawk Ranch; hereinafter such association may sometimes be referred to as the "Association") shall mean that certain property owner's association described in Article 6 hereinafter which shall be established at a later date by the Declarant of which every Owner of property within the Subdivision shall become a member as set forth in the Supplemental Declarations for each Phase of the Subdivision. The Declarant will create the Master Association at the time and according to the terms more completely provided herein. Prior to the creation of the Master Association by the Declarant, all rights granted to the Association by these Covenants and Conditions shall be reserved to and exercisable by Declarant.

3.3.7 "Building Site(s)" or "Sites" shall mean any contiguous plot of the Subdivision the size and dimensions of which shall be established by the legal description in the original conveyance from Declarant to the first fee Owner (other than Declarant) of said plot of the Subdivision. If two or more Lots, or portions of one or more Lots, as designated on the recorded Plat on any Phase thereof, are contiguous and described in such original conveyance from Declarant to the first fee Owner, if so elected by such first fee Owner, such Lots or parts thereof shall be treated as a single Building Site for purposes of the Covenants and Conditions herein contained.

3.3.8 "Common Areas" shall mean and include collectively all real property or Out Lots within the Subdivision which are designated to be owned or are owned by the Master Association, including (without limitation) any real property upon which Common Facilities are located or are intended to be located and any property designated and held by the Declarant for use as a Common Area and any property deeded by the Declarant to the Master Association for use as Common Area. The term "Common Area" shall not include any real property owned by or reserved for governmental entities. "Common Areas" shall mean any and all parcels of Common Area or Local Common Area, whatever is appropriate in the context, and shall include, without limitation, all such parcels that are designated as roads, streets, drives, parking areas or drives, walking paths,

common open space or area, pastures, wildlife habitat, wetlands common landscaped areas, storage facilities, waterway access points, other amenities and facilities, and Waterways. Common Area may be established from time to time by Declarant on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designating it as such in this Master Declaration or any Supplemental Declaration. In addition, the Master Association may acquire any Common Area it deems necessary and/or beneficial to the Property. Common Area may include easement and/or license rights.

3.3.9 "Common Facilities" shall mean the facilities developed by the Declarant or the Association for the general use of the Owners, their families and guests which is located, or to be located, within the Subdivision and any other facilities of a similar nature situated in the Subdivision which the Declarant has designated for future transfer to the Association or which the Association may from time to time own, lease, operate or otherwise control.

3.3.10 "Declarant" shall mean L. B. Industries, Inc., an Idaho corporation, its successors and assigns.

3.3.11 "Delegate(s)" shall mean a person selected by Members of a Local Association or Owners within a Phase, and by Declarant (until Declarant's Membership terminates), to represent their respective interests in the Master Association. All Delegates to the Master Association shall comprise the members of the Master Association Board. Members of a Local Association or Owners within a Phase, and Declarant (until Declarant's membership terminates), shall elect separate Delegates to the Master Association.

3.3.12 "Improvements(s)" shall mean structures and construction of any kind, whether above or below the land surface, such as, but not limited to, buildings, accessory buildings, private wells, water lines, septic systems or sewers, electrical and gas distribution facilities, loading areas, parking areas, walkways and walking paths, walls, fences, hedges, plantings and other landscaping, signs and external lighting.

3.3.13 "Lot" shall mean each lot reflected on the recorded plat of the Subdivision.

3.3.14 "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 Master Association or Local Association, plus applicable interest, in connection with corrective action performed pursuant to the provisions of the Master Declaration or any Supplemental Declaration, including, without limitation, damage to any Common Area, Restricted Area or failure of an Owner to keep his/her/its Building Lot and Improvements in proper repair, as provided in this Master Declaration or a Supplemental Declaration. All Limited Assessments made by a Local Association shall be levied through the Master Association.

3.3.15 "Local Association(s)" shall mean any profit or non-profit Idaho corporation or unincorporated association, or the successor of any of them, organized and established by Declarant or Owner/Members of a particular Phase pursuant to or in connection with the

terms of this Master Declaration or a Supplemental Declaration. A Local Association shall have no right, title or interest in name "Blackhawk," stylized or otherwise, or any logo in connection therewith.

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

3.3.17 "Maid/Guest House" shall mean a residential structure for use as servant's quarters or guest quarters, which is attached to the main residential structure.

3.3.18 "Master Association" shall mean the Idaho non-profit corporation, or its successors, organized and established by Declarant to exercise the powers and to carry out the duties set forth in this Master Declaration or any Supplemental Declaration. Declarant shall have the power, in its discretion, to name the Master Association the "Blackhawk Ranch Master Property Owners' Association, Inc.," or any similar name which fairly reflects its purpose. The Master Association shall have no right, title or interest in the name "Blackhawk," stylized or otherwise, or in any logo in connection therewith.

3.3.19 "Member" shall mean each Owner, including Declarant, holding a membership in the Master Association. Where specific reference or the context so indicates, it shall also mean Owners, including Declarant, holding membership in a Local Association.

3.3.20 "Occupant" shall mean and include 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 Site or Sites whether or not such right is exercised, and their heirs, assigns and successors in interest.

3.3.21 "Private Roads" shall mean all ingress and egress roadways within the Subdivision beginning and ending from the points of ingress and egress from West Mountain Road. All Subdivision Private Roads constitute Common Areas, which will be held by the Declarant until deeded to the Master Association. Private Roads will not be provided County or State services such as snow removal and repairs. After deeding by Declarant to the Master Association, the Master Association will be required to provide all necessary services. Common Area Private Roads will be deeded to the Master Association subject to an access and use easement for the benefit of Owners.

3.3.22 "Owner" or "Owners" shall mean the party or parties having any fee hold estate interest in any Building Site, excluding any person who holds such interest as security for the payment of an obligation, but including any mortgage, under deed of trust or other security holder in actual possession of any Building Site, as a result of foreclosure or

otherwise, and any person taking title through such security holder, by purchase at foreclosure sale or otherwise.

3.3.23 "Out Building" shall mean an enclosed covered building to be used as a barn, garage or for other storage purposes not directly attached to the main structure which it serves.

3.3.24 "Out Lot" shall mean real property reserved by Declarant for open space, roadways, utilities or recreational facilities.

3.3.25 "Phase" shall mean any subdivision plat covering any portion of the Subdivision Property as recorded in the Valley County Recorder's Office as the same may be amended by duly recorded amendments thereof.

3.3.26 "Restricted Area" shall mean that portion of the Property, which is not Common Area or Building Sites, but is owned or leased, operated and maintained by the Master Association or any Local Association. Restricted Area may be established from time to time by Declarant on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designation it as such in this Master Declaration, any Supplemental Declaration or Master Plan and Plat. In addition, the Master Association may acquire any Restricted Area it deems necessary and/or beneficial to the Property and/or the Owners. Restricted Area may include easement, lease and/or license rights. Restricted Area shall not be subject to use by Members, Owners or the Public; provided however, that the Master Association shall have the power to convert any Restricted Area into Common Area or to allow limited or selective use of the Restricted Area in accordance with Federal and State environmental, water quality and/or other controls and regulations

3.3.27 "Single Family Residence" shall mean a single-family residential building together with not more than one (1) Out Building.

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

3.3.29 "Subdivision" shall mean the land described in Article 2, which consists of the entire Blackhawk Ranch Subdivision as set forth in the Master Plan and Plat approved on May 13, 1999, by Valley County, as the same may be amended from time to time and approved by Valley County. Declarant may, pursuant to the following provisions of this Declaration, amend Article 2 to include all or any part of any land owned by it at the time of the amendment if the same is adjoining land (for the purpose of this paragraph, land separated only by roads or water ways shall be deemed to "adjoin") or land which Declarant includes in the Master Plan and Plat submitted by Declarant and which receives approval by Valley County.

3.3.30 "Supplemental Declaration" shall mean any Supplemental Declaration including additional covenants, conditions and restrictions that might be adopted by Declarant with respect to any Phase or any portion of the Property.

3.3.31 "Walking Path and Waterways" shall mean any surface water amenity, including without limitation, any lake, pond, channel, slough, stream, or reservoir, natural or artificial, which is located on the Property and any foot path, walk way, paved or unpaved, that runs along or is established in connection with any Waterway.

Article 4: Covenants and Conditions

4.1 Land Use and Building Type.

4.1.1 No Building Site shall be used except for residential purposes, and each Site shall be limited to one Single Family Residence. No building shall be erected, altered, placed, or permitted to remain on any Site other than for residential or recreational purposes or for a private garage, barn, and other Out Buildings incidental to residential use of the premises. All structures constructed on any Building Site shall be constructed with a substantial quantity of new materials and no used structure shall be relocated or placed on any Building Site. No trailer, motor or mobile home, basement, tent, shack, garage, barn, or other Out Building located or erected on a Building Site covered by these Covenants and Conditions shall at any time be used for private habitation, except in the following situations:

4.1.1.1 During the construction period for a given Building Site (which must be completed within twelve (12) months - see Section 3.12) a recreational vehicle (camping trailer or motor home) may be used for temporary habitation of the Building Site Owner and/or Occupants as approved on a case-by-case basis by the Architectural Control Committee.

4.1.1.2 After the construction of a Single Family Residence has been completed upon a Building Site, a recreational vehicle (camping trailer or motor home) may be used for temporary habitation by guests for consecutive periods not exceeding fourteen (14) days or nights. At the conclusion of such fourteen (14) consecutive day or night occupancy period, the recreational vehicle must be removed from the Building Site for at least fourteen (14) consecutive days.

4.1.2 No Building Site shall be used for any retail commercial or business purposes whatsoever. The Covenants and Conditions set forth within this Section 4.1 shall not apply to Declarant's or its agent's real estate sales office (if any), and the activities conducted in connection therewith.

4.2 Approval of Construction Plans.

4.2.1 No building or other structure shall be constructed, erected, or maintained on any Building Site, nor shall any addition thereto or change or alteration therein be made unless it complies with applicable Valley County, Idaho, zoning ordinances and until the

complete plans and specifications (including, but not limited to, the floor, elevations, plot, grading, and landscaping plans), provisions for off-street parking, the specifications of principal exterior materials and color schemes, and the location, character and method of utilization of all utilities) have been submitted to and approved in writing by the Architectural Control Committee. Each building or other structure shall be constructed, erected, and maintained in strict accordance with the approved plans and specifications.

4.2.2 The procedures dealing with the submission of plans to the Architectural Control Committee are set forth in Article 5.

4.3 Minimum Floor Area and Building Heights.

4.3.1 Single Family Residence - no main residence structure shall be permitted on any Building Site covered by these covenants, the habitable floor area of which, exclusive of basements, porches, and garages, is less than 1,200 square feet.

4.3.2 Single Family Residence - no main residence structure shall be permitted to have more than two (2) above ground floors (a daylight basement shall not generally be considered an above ground floor). In the case of a two (2) story (above ground) structure, the first floor shall have no less than 800 square feet of the required 1,200 square feet of total habitable floor area.

4.3.3 The maximum height of any building shall be in compliance with the Valley County zoning ordinances.

4.4 Set Back Requirements. Some Building Sites have designated building envelopes as per the recorded Subdivision plat, if a building envelope is designated for a given Building Site, all Improvements must stay within the designated building envelope and construction must be conducted to reasonably minimize disturbance to areas of the Building Site outside of the building envelope. Notwithstanding the foregoing, the specific location of such Improvements must also receive the advance approval of the Architectural Control Committee, as more completely described herein and all such Improvements shall conform to the Valley County zoning regulations then in effect.

4.5 Fences. To maintain and preserve the natural beauty of land, no fence, wall, or similar type barrier of any kind shall be constructed, erected, or maintained on any Building Site for any purpose whatsoever, except such fences, walls, or barriers that are attached to the main structure for privacy or enclosure of pets as may be approved by the Architectural Control Committee (in no case will chain link fencing, enclosures or barriers, be approved). No lot line fencing will be permitted on any Building Site.

4.6 Signs. No signs of any kind shall be displayed to the public view on any part of the property, except one sign of not more than two (2) square feet designating the Owner of any Building Site, one sign of not more than six (6) square feet advertising the property for sale or rent, and except temporary signs used by Declarant, or its agent, to advertise property.

4.7 Easements. Easements and rights-of-way as described on the recorded plat of the Subdivision or any Phase may have been reserved for poles, wires, pipes, and conduits for electricity, gas, telephones, sewer, drainage water, snow removal, utility, road and other purposes, together with the right of ingress and egress for further construction, maintenance and repair thereof as shown on the recorded plat of the Subdivision. No dwelling, Improvement, material, equipment, or refuse shall be placed on any part of said property within the area of easements reserved so as to interfere with the use thereof as reserved.

4.8 Garbage and Refuse Disposal.

4.8.1 No part of the Subdivision above or below ground shall be used or maintained as a dumping ground for refuse, trash, garbage, debris, or other waste. At all times the Subdivision shall be maintained in a sanitary condition.

4.8.2 All fish cleaning shall be performed at designated locations in the Common Areas or will be performed on the Owner's own Building Site. All debris and waste from fish cleaning will be properly disposed of in appropriate garbage containers. Under no circumstances will dead fish or fish parts be left on the ground or thrown into the water of the Subdivision ponds or streams or the Payette River.

4.8.3 Reasonable precaution shall be taken against fire hazards and no outdoor burning of any kind shall be permitted upon the Building Sites (except for cooking).

4.8.4 Each property Owner shall provide suitable receptacles for the temporary storage and collection of refuse on their Building Site and all such receptacles shall be screened from public view and protected from disturbance.

4.8.5 These restrictions also apply to contractors doing construction work on behalf of Owners.

4.8.6 Notwithstanding the foregoing, the burning of slash (plant debris) may be conducted under the direction of the Declarant or the Master Association, but only when done in accordance with applicable law.

4.9 Trees. Living trees, the trunk of which is four (4) inches or more in diameter, naturally existing upon a Building Site, except to the extent necessary for construction purposes, shall not be cut, trimmed, or removed from the properties except as may be approved by the Architectural Control Committee.

4.10 Animals, Livestock and Poultry.

4.10.1 No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the property for any commercial purpose. Household pets kept for personal or recreational purposes must be kept within the boundaries of the Building Site unless accompanied by and under the control of the Owner.

4.10.2 All pet enclosures must match the colors of the main structure on the Building Site, be attached to the main structure on the Building Site and receive the prior approval of the Architectural Control Committee.

4.10.3 Idaho Law prohibits dogs from disturbing or chasing wildlife. Fish and Game Policy allows for destruction of dogs in the pursuit of big game animals. Owners may be cited and fined. When dogs are out of their enclosures the Owner is responsible to keep them on a leash and for cleanup of animal waste in the Common Areas or other areas outside their Building Site.

4.11 Landscaping.

4.11.1 Declarant has set aside some natural areas and wetland areas as Common Areas, as designated on Declarant's Master Plan and Plat of the Subdivision. These areas are not to be destroyed.

4.11.2 In order to insure protection of the water quality of the Payette River, creeks and ponds in Common Area, and the natural environment, all natural surface areas disturbed by construction shall be returned promptly to their natural condition and replanted in native grasses and trees. All previously prepared Sites will be landscaped and completely planted in native grasses and trees. The Architectural Control Committee may approve limited construction of gardens, lawns, and exterior living areas. Well water shall be restricted to domestic use only (domestic use is deemed to include non-commercial use of water for human and animal consumption, cleaning, washing, sanitation systems and reasonable watering of houseplants and exterior gardens and lawns).

4.12 Continuity of Construction. All structures commenced in this Subdivision shall be prosecuted diligently to completion and shall be completed within twelve (12) months of issuance of building permit unless approved in writing by the Architectural Control Committee.

4.13 Nuisance and Fire Arms. No noxious or offensive activity shall be carried on within the Subdivision nor shall anything be done or permitted which will constitute a public nuisance therein; nor shall any firearms be discharged within the Subdivision. Firearms as used herein shall be construed to mean not only rifles, pistols and cannons, but also fireworks, explosives, air rifles, BB guns, or similar devices.

4.14 Sewage Disposal. If public sewers become available, dwellings then under construction or subsequently to be built must make use thereof. Pending availability of public sewers, each dwelling must use a sanitary disposal system of a design and installation approved by Valley County, the Central District Health Department and the Idaho Department of Health and Welfare.

4.15 Parking.

4.15.1 Parking shall be accommodated on each Building Site with no Owner parking of vehicles allowed on Subdivision private or public streets, except in areas so designated for on street parking by the Declarant or the Association. Each Building Site shall

provide at least a one-car garage (three-car garage maximum) and the minimum of two additional parking units. Each additional parking unit shall be located entirely within the Building Site lines.

4.15.2 Parking in Common Areas shall be limited to those locations designated as being available for parking. Parking in these areas shall be for temporary purposes incidental to the use of the Common Areas and Common Facilities. No overnight parking or overnight camping shall be permitted in the vehicles located in the Common Areas.

- 4.16 Trailers and Motor Vehicles. No boats; trailers; campers; motor homes; commercial cars, trucks or vans; buses, or other portable vehicles, other than duly registered and licensed non-commercial cars, passenger vans, and light duty trucks, shall be parked forward of any dwelling at any time during three (3) consecutive days. Notwithstanding the foregoing sentence, commercial vehicles may not regularly be parked forward of any dwelling on a daily or other continuing basis (It is the intent of this provision to prohibit Owners or Occupants from regularly parking commercial vehicles on Building Sites. This Subdivision is residential and Owner or Occupant commercial vehicles should be garaged or otherwise concealed when parked on a Building Site). All boats, trailers, campers, motor homes, snowmobiles, All Terrain Vehicles, motorcycles and other motorized vehicles, if parked for a period exceeding 72 hours, must be concealed from sight of any traffic along Subdivision roads by appropriate fencing, enclosure or other year round screening. Any screened area must be located to the side yard or rear yard of a dwelling. No motor vehicle shall be constructed, reconstructed, or repaired upon the front or side yard of any Building Site or street; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or construction vehicles used in connection with the construction of any Improvement as approved by the Architectural Control Committee. No motor vehicle of any type, or part thereof, shall be permitted to remain on any Building Site or street in an exposed position and in a non-operative condition, for more than thirty (30) days in any calendar year. Any such vehicle or part thereof which does not display current or valid license plates and safety inspection stickers, as required by law, shall be deemed to be a "non-operating condition vehicle" and may be removed at the request of any Owner and at the expense of the Owner in violation, after a ten (10) day written notice has been provided. No motorized "off-the-road" vehicles shall be operated on any Building Site in a noisy or disturbing manner which would create a nuisance.
- 4.17 Snowmobiles, ATVs, Motorcycles, Etc. Snowmobiles, ATVs, motorcycles, and other recreational vehicles and equipment (all generally referred to as "Recreational Equipment"), shall not exceed 15 mph while operating in the Subdivision. It is the intent of the Declarant not to allow high-speed use of Recreational Equipment anywhere within the Subdivision (including their operation on Building Sites, Private Roads and Common Areas). The 15-mile per hour speed limited is intended to allow Recreational Equipment to be driven to and from the Subdivision but is not intended to allow recreational use within the Subdivision. All recreational use is intended to occur outside of the Subdivision.

- 4.18 Antennas. Except as specified herein, antennas, satellite dishes, or other devices for the transmission or reception of television, radio or electric signals or any other form of electromagnetic radiation shall not be erected on the front yard of any building Site. Notwithstanding the above, a television antenna may be attached to the side of a dwelling, if using a fireplace chimney for support; satellite dishes exceeding 18 inches in diameter shall be painted an earth tone color and shall be concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee; and satellite or digital antenna dishes of 18 inches in diameter or less may be attached to any part (front, back, or side) of a dwelling.
- 4.19 Storage Tanks. Any tank used in connection with any dwelling (e.g. for storage of gas, oil or water) and any type of refrigeration or heating apparatus must comply with State and Federal law and be located under ground or concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee.
- 4.20 House Numbers and Mailboxes. Each dwelling shall have a street number discreetly placed at or near the street entrance to the Building Site. Mailboxes installed along the roads shall be of wood construction with a wood post in order to achieve a uniform appearance. Mailboxes shall be paid for by the Owner.
- 4.21 Fishery Management. The Master Association shall establish fishery management procedures (including, but not limited to, stocking and harvesting procedures and fishing rules) as needed to protect the health and welfare of the fish habitat. In establishing fishery management procedures, the Association will endeavor to comply, where applicable, with the rules and regulations as established from time to time by Idaho Fish and Game. Owners and their guests shall be required to comply with the most current fishing rules published by the Association.
- 4.22 Water Quality. The Master Association shall have the authority to adopt rules and regulations to ensure and to protect the natural beauty and water quality of the Payette River, creeks, springs and ponds within the Subdivision.
- 4.23 Maintenance of Dams, Water Conveyance Systems and Water Quality. The Master Association shall the authority to adopt rules and regulations to ensure and maintain the safety and function of the diversion dams that divert water in the creeks, springs and ponds, the water conveyance systems leading into and out of any Blackhawk Ranch Phase, and the natural beauty and water quality of any Subdivision springs, ponds and creeks.
- 4.24 General Restrictions Applicable to Common Areas and Common Facilities.
- 4.24.1 The Common Areas and Common Facilities shall be under ownership and control of the Declarant until the Declarant creates and deeds over the said Common Areas and Common Facilities. Declarant retains the right to create and deed over Common Areas and Common Facilities as it deems appropriate, but Declarant must deed all Common Areas and Common Facilities to the Master Association as of the date Declarant owns no more than five percent (5%) of the Building Sites then within the Subdivision.

4.24.2 Subject to the Master Association Rules, the following persons shall have the exclusive right of use of all Common Areas and Common Facilities:

4.24.2.1 Members of the Master Association (Owners), their immediate families, guests and the tenants of such members.

4.24.2.2 Declarant, its invitees, guests, tenants, employees and agents, and its successors and assigns, while Declarant, its successor or assigns, are engaged in the development and/or sale of property within the Subdivision.

4.24.4.3 Such other persons or entities as the Master Association shall from time to time grant the right of use.

4.24.3 The use of Common Areas and Common Facilities shall at all times be subject to the rules, regulations and user charges, if any, prescribed by the Declarant from time to time (prior to the deeding of such Common Areas and Common Facilities to the Association) and thereafter, as prescribed by the Master Association from time to time.

4.24.4 The use of said Common Areas and Common Facilities shall be subject to such easements and reservations of rights of Declarant hereinafter described and made of record.

4.24.5 Only the Declarant (prior to title to the Common Area vesting in the Master Association) or the Master Association (after vesting of title) shall be permitted to engage in construction, excavation or other work which in any way alters any Common Area or Common Facility. Construction, excavation or other work shall only be made in strict compliance with provisions of Section 4.25.

4.24.6 Any portion of a Common Area may be developed by constructing thereon one or more additional recreational facilities by the Master Association.

4.24.7 There shall be no use of a Common Area or Common Facility which injures, erodes, or scars the same or the vegetation thereon, or increases the cost of maintenance thereof, unless expressly permitted by the Master Association. In any event, there shall be no use of a Common Area or Common Facility, which causes unreasonable embarrassment, disturbance, or annoyance to Owners in the enjoyment of their Building Sites.

4.25 Common Areas: Construction and Alteration of Improvements, Etc.

4.25.1 After title to the Common Area or any portion of the Common Area is vested in the Master Association, no Improvement, excavation or work which in any way alters such Common Area from its state on the date such Common Area is so conveyed, shall be made or done except upon strict compliance with the following provisions of this Section.

4.25.2 With the exception of Declarant (prior to the time that the Master Association is vested with fee title to said Common Area), or a public utility or governmental agency (by right of easement), only the Master Association shall have the right to construct

Improvements upon, or make any excavation or fill upon, or change the natural or existing drainage of, or destroy or remove any tree, shrub, or other vegetation or plant any tree, shrub or other vegetation upon any Common Area.

4.25.3 If the Master Association, or any entity under right of easement, proposes to construct a new Improvement or alter the exterior of an existing Improvement upon a Common Area, or to make any excavation or fill upon, or to change the natural or existing drainage of surface waters, upon a Common Area, it shall not do so until a permit has been obtained from the Architectural Control Committee. The Master Association, or entity proposing to do such work shall submit to the Architectural Control Committee for approval plans for such work in such form and containing such information as the Architectural Control Committee may require. The Architectural Control Committee shall approve the plans so submitted if the following conditions have been satisfied:

4.25.3.1 If the plans are to construct any new Improvement, including any alteration of the exterior of any existing Improvement, the Architectural Control Committee finds that such Improvement complies with these Covenants and Conditions; and

4.25.3.2 That such work if under right of easement, (i) is reasonably necessary for any utility installations serving any property within the Subdivision or any property to be annexed to the Subdivision, or any property for which an easement has been reserved or granted by Declarant or (ii) is desirable in order to provide or improve access to or to enhance the use and enjoyment of any such property; or (iii) is desirable to protect or preserve any property within the Subdivision; and

4.25.3.3 The Architectural Control Committee finds that the proposed work shall not materially prejudice the Subdivision.

4.25.4 Without approval of the Architectural Control Committee, the Master Association may:

4.25.4.1 Construct, reconstruct, replace or refinish any Improvement or portion thereof upon Common Areas in accordance with the plans for such Improvement as they existed upon the Common Area when it was conveyed to the Association;

4.25.4.2 Replace destroyed trees or other vegetation with native plants, and, to the extent that the Association deems necessary; plant other native trees, shrubs, ground cover and other native vegetation;

4.25.4.3 Take whatever measures that may be necessary to prevent or retard the shifting or sliding of earth; and

4.25.4.4 That such work does not violate Federal, State, and Local Government Agencies' Laws, Ordinances and Restrictions.

- 4.25.5 Without approval of the Architectural Control Committee, the Declarant may construct, reconstruct, replace or refinish any Improvement intended to be constructed on a Common Area, or any portion thereof, as a part of the development work of the Subdivision.
- 4.26 Mining/Oil Drilling. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon or in the Subdivision, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of the Subdivision or within five hundred (500) feet below the surface of the Subdivision. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted in the Subdivision.
- 4.27 Work in Progress. The Architectural Control Committee or its representative may inspect all grading and construction work while such work is in progress and give notice of non-compliance when it believes that the provisions of this Declaration have not been complied with, and such person(s) shall not be deemed guilty of trespass by reason of such entry. If no notice of non-compliance has been sent, then the Owner shall be deemed to be in compliance upon occupancy of the dwelling and related structure and other Improvements.
- 4.28 Machinery and Equipment. No commercial machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Building Site within the Subdivision except such machinery or equipment that is usual and customary in connection with the development, maintenance or construction of a residence, appurtenant structures, or other Improvements within the Subdivision.
- 4.29 Restriction on Further Subdivision. No Lot within the Subdivision shall be further subdivided or separated into smaller Lots or parcels by any Owner and no portion less than all of any such Lot shall be conveyed or transferred by any Owner. This provision shall not, in any way, limit Declarant from subdividing any portion of the Subdivision or Building Site owned by Declarant into multiple Lots or Building Sites. No portion of a Building Site but for the entire Building Site, together with the Improvements thereon, may be rented. The provisions of this Section shall not apply to the division of any Lot or Building Site between adjoining Lots or Building Sites.

Article 5: Architectural Control Committee

- 5.1 There is hereby established an Architectural Control Committee (the "Committee"), whose members shall be appointed or removed by Declarant except as provided in Section 5.3. This Committee shall consist of three voting members.
- 5.1.1 The initial members of the Architectural Control Committee are:

<u>Name</u>	<u>Address</u>
Larry B. Barnes	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701
James K. Ball	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701
John W. Moody	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701

- 5.1.2 Each of said persons shall hold office until such time as they have resigned, have been removed, or their successor has been appointed.
- 5.2 The right to appoint and remove members of the Committee shall be vested in the Board of Directors of the Master Association from and after the expiration of the eighteenth month following the date Declarant owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision, unless during such eighteen (18) month period, Declarant's percentage of ownership is increased to more than five percent (5%) of the Building Sites collectively within the Subdivision by reason of the annexation of property to the Subdivision pursuant to Article 9 Section 9.4, in which event said eighteen (18) month period will not start to run until Declarant again owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision. Upon the right to appoint and remove members of the Committee being vested in the Board of Directors of the Master Association, the appointment and removal of members of the Committee shall be made by the Board of Directors of the Master Association in accordance with the By-Laws of the Master Association.
- 5.3 The Architectural Control Committee shall, in accordance with the procedures set forth in Article 4 hereof, have the responsibility to interpret the Covenants and Conditions relating to the construction plans and plans for Improvements of the Building Sites, pursue approvals and certificates of compliance with the Covenants and Conditions and inspect and enforce the Covenants and Conditions. In addition, the Committee, when appointed solely by Declarant, shall have the right from time to time to amend any of the Covenants and Conditions set forth in Article 4, upon a two-thirds majority vote of its members, but no amendment to the Covenants and Conditions shall be applied retroactively to affect plans and specifications (as that term is defined in Section 5.2.4 hereof) previously approved by the Committee, or Improvements constructed or being constructed pursuant thereto.
- 5.4 No Improvements shall be constructed, erected, placed, altered, maintained or permitted on any Building Site until the design and construction plans, specifications, Site plan and

landscaping plan, and time schedule for completion of construction and landscaping (collectively hereinafter referred to as "plans and specifications"), in manner and form satisfactory to the Committee, have been submitted to and approved by the Committee. Such plans and specifications shall be submitted in writing over the signature of the Owner or his authorized agent.

- 5.5 Proposed plans and specifications must be submitted to the Architectural Control Committee along with a non-refundable fee of \$100.00. Plans and specifications must be prepared or approved by a State licensed architect or, if not prepared by a State licensed architect, the plans and specifications must be approved by the Valley County Building Department prior to submission to the Architectural Control Committee. The initial sketch or concept drawing indicating floor plan, elevations, site and plot plan indicating all buildings, driveways, and attached fencing if required, should be approved by the Architectural Control Committee before Owners are committed to a large investment for detailed architectural drawings.
- 5.6 Approval shall be based, among other things, on the Covenants and Conditions, the adequacy of Building Site dimensions, conformity and harmony of external design with neighboring structures, effect of location and use of Improvements on neighboring Building Sites, operations and uses; relation to topography, grade, finished ground elevation and landscaping of the Building Site being improved to that of neighboring Building Sites; proper facing of main elevation with respect to nearby streets; and conformity of the plans and specifications to the purpose and general plan and intent of these Covenants and Conditions. The Committee shall not arbitrarily or unreasonably withhold its approval.
- 5.7 If the Committee fails either to approve or to disapprove such plans and specifications (including resubmission of disapproved plans and specifications which have been revised) within forty-five (45) days after the same have been submitted to it (provided that all required information has been submitted), it shall conclusively be presumed that said plans and specifications have been approved subject to this Declaration as from time to time amended. If within said initial forty-five (45) day period, Declarant gives written notice of the fact that an additional forty-five (45) day period is required for examination and review of such plans and specifications, there shall be no presumption that the same are approved until the expiration of the additional forty-five (45) day period of time as set forth in said notice. The Committee shall promptly notify the Owner in writing upon receipt of all required plans and specifications and the aforesaid initial forty-five (45) day time period shall commence on the date of such notification.
- 5.8 Neither the Committee, its individual members, nor Declarant nor their respective heirs, successors or assigns shall be liable in damages to any Owner submitting plans and specifications for approval, nor to any other Owner or Occupant of the Property affected by these Covenants, 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 any such plans and specifications. Every person who submits plans and specifications to the Committee

for approval agrees, by submission of such plans and specifications, and every Owner or Occupant of any Building Site agrees, by acquiring title thereto or an interest therein, that he will not bring any action or suit against the Committee, its individual members, or Declarant to recover any alleged damages related to his application for approval of plans and specifications.

Article 6: Master Property Owner's Association

- 6.1 Organization. The Master Association shall be initially organized by Declarant as an Idaho non-profit corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charge with the duties and invested with the powers prescribed by law and set forth herein. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration. Declarant may, in its discretion, grant to the Master Association a revocable, non-exclusive license to use the name "Blackhawk Ranch." Each Owner shall abide by and benefit from the provisions, covenants, conditions and restrictions contained herein. Declarant shall establish the Master Association not later than eighteen months following the date on which the Declarant's ownership of Building Sites collectively then within the Subdivision as a whole is not more than five percent (5%). The non-profit corporation shall be designated the "Blackhawk Ranch Master Property Owners' Association, Inc." (or some other similar entity name) and is generally referred to herein as the "Master Association".
- 6.2 Release of Control over Architectural Committee. Unless the Declarant does so earlier, the Declarant shall release control of the Architectural Control Committee and ownership of the Subdivision Common Areas and Common Facilities to the Master Association no later than eighteen (18) months following the date on which Declarant owns no more than five percent (5%) of the Building Sites collectively within the Subdivision. Upon transfer of control of the Architectural Control Committee from the Declarant to the Master Association, the Master Association shall then begin to exercise the power and authority granted by these Covenants and Conditions and according to the Master Association's ByLaws and Articles of Incorporation.
- 6.3 Membership. Each Owner by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Master Association, and no Owner, except Declarant, shall have more than one membership in the Master Association. Memberships in the Master Association shall be appurtenant to the applicable Phase, or Building Lot or other portion of the Property owned by such Owner. The memberships in the Master Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Master Association. If more than one person owns the Building Site and its appurtenant membership, all of said persons shall be deemed to hold one membership and the membership shall be in the name of one designated individual. With respect to each Building Site, the Board of Directors (the "Board") shall at all times have the power to limit the number of persons (other than immediate family of the designated Member) who

shall have the right to use the Common Areas and Common Facilities under any one membership. The rights, duties, privileges and obligations of a member shall be in accordance with these Covenants and Conditions, the Articles and By-Laws.

6.3.1 In the event of the dissolution of the Master Association, upon the formation of an unincorporated association, each member of the Master Association shall be a member of the unincorporated association and shall have an underlying beneficial interest in all of the property transferred to or for the benefit of said unincorporated association; provided, however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such member acquiring any interest in said property, or any part thereof, seek any such judicial partition.

6.4 Voting. The Master Association will have three (3) classes of memberships:

6.4.1 Class A Members. Class A Members shall be the Delegates of Local Associations who's Members are designated in its Supplemental Declaration as Members of the Master Association and a Local Association. Each Delegate shall be entitled to one (1) vote for each single-family Building Lot the Delegate represents.

6.4.2 Class B Member. Declarant shall be the sole Class B Member and shall be entitled to three (3) votes for each Class A Member of the Master Association. For example, if there are two (2) Class A Members each representing ten (10) Class C Members as defined below, then Declarant as the sole Class B Member shall be entitled to three (3) times the Class A votes, i.e., 60 votes. The Class B Member shall cease to be a voting Member in the Master Association when the Declarant's ownership of Building Sites within the Subdivision is no more than five percent (5%) of the total membership.

6.4.3 Class C Members. The Class C Members shall be all Owners, with the exception of the Declarant and the Delegates. Class C Members shall not be entitled to vote in the Master Association. However, Building Sites owned by such Class C Members shall be counted for purposes of determining the number of votes of the Class A Members as specified in Subsection 6.4.1. Each Building Site shall be entitled to one vote. Every Member entitled to vote at any election of the Board may cumulate his/her votes and give any candidate a number of votes equal to the number of votes, which the Member has, multiplied by the number of directors to be elected. The right to vote may not be severed from the Building Site to which it relates and any sale, transfer or conveyance of fee title of the Building Site to a new Owner, shall operate to transfer the appurtenant vote or votes to the grantee.

6.5 All voting power in the Master Association shall be exercised by Delegates selected, as provided for in Article 6, and by Declarant, and no member shall be entitled to cast his or her own vote.

6.6 The vote for each Building Lot shall be exercised as the Owners thereof among themselves determine. 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 conclusive for all

purposes that such Owner was acting with authority and consent of all joint Owners of the Building Site(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, mortgage, 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 proposed owner, subject to any assignment of the right to vote to a lessee, mortgagee, beneficiary or contract purchaser provided herein.

- 6.7 Board of Directors and Officers. The affairs of the Master Association shall be conducted and managed by the 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 shall be comprised of the Master Association Delegates, including Declarant's Delegate. For purposes of voting at Board meetings, each Master Association Delegate, including Declarant's Delegate, when acting in their capacity as Board members, shall have the same number of votes as enunciated in Section 6.4.
- 6.8 Interim Master Association. Prior to the organization and establishment of the Master Association, the Declarant shall establish a non-profit organization. The non-profit organization will collect "Maintenance Fees" until control over the Architectural Control Committee is transferred to the Master Association. The purpose of the Maintenance Fees shall be the restoration, repair, maintenance and upkeep of the roadways, walk ways, walking paths, waterways, waterway banks and channels, planting areas within roadways, Common Areas, and Common Facilities and to provide security and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners. Said Maintenance Fees shall be assessed equally against all Building Sites, to include Building Sites owned by Declarant, and shall be assessed against the Building Sites and collected as provided herein as if the Maintenance Fees were being assessed and collected by the Master Association. At the time Declarant transfers control to the Master Association, the Maintenance Fee funds then held by the Interim Master Association shall also be transferred to the Master Association and the Master Association will then assume the Interim Master Association's duty to oversee the maintenance of the Subdivision and the collection of Maintenance Fees. The Master Association will create and maintain a Maintenance Fee reserve fund in an amount, which shall always be sufficient for maintenance of the Master Association property and operations for at least a one-year period.
- 6.9 In the event that the Master Association as a corporate entity is dissolved, a non-profit, unincorporated Master Association shall forthwith and without further action or notice, be formed and succeed to all the assets, rights, privileges, duties, and obligations of the Master Association.
- 6.10 Purpose. The purpose of the Master Association shall be the restoration, repair, maintenance and upkeep of the roadways, walk ways, walking paths, Waterways, waterway

banks and channels, planting areas within roadways, Common Areas, and Common Facilities and to provide security and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners.

6.11 Duties of the Master Association.

6.11.1 The Master Association shall accept as members all persons described in Section 6.2 above.

6.11.2 Immediately prior to any dissolution of the Master Association as a corporate entity, the Master Association shall convey all property vested in it to an independent corporate trustee to hold same in trust for the unincorporated Master Association to be formed for the benefit of the Members.

6.11.3 The Master Association shall maintain and operate any Common Areas and Common Facilities, which it owns for the benefit of those, entitled to use such facilities pursuant to these Covenants and Conditions.

6.11.4 The Master Association shall, at the expense of the Owner, provide for the maintenance of any Building Site or Improvement thereon which is not maintained by the Owner in accordance with the requirements of these Covenants and Conditions.

6.11.5 The Master Association shall pay all taxes and assessments levied upon any Master Association property.

6.11.6 The Master Association shall contract for or otherwise provide such services as required by majority vote of the membership.

6.11.7 At a minimum, the Master Association shall obtain and maintain in force the following policies of insurance:

6.11.7.1 Fire and extended coverage insurance on all property owned by the Master Association from time to time, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement value (exclusive of the cost of excavation, foundations and footings), of such improvements as determined by the Master Association.

6.11.7.2 Bodily injury liability insurance with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000.00) per occurrence insuring against any and all liability with respect to its operations; and

6.11.7.3 Property damage liability insurance with a deductible of not more than One Thousand Five Hundred Dollars (\$1,500.00) and a limit of not less than Five Hundred Thousand Dollars (\$500,000.00) per accident.

6.11.7.4 Full coverage director's and officer's liability insurance with a minimum coverage limit of Two Hundred Fifty Thousand Dollars (\$250,000).

6.11.7.5 The above policies of liability insurance shall cover as insureds the Declarant, the Master Association, the Board, the Architectural Control Committee, the Owners of all Building Sites in the Subdivision, and their agents, representatives, members and employees. Each policy of insurance obtained by the Master Association shall expressly waive any and all rights of subrogation against Declarant, its agents, representatives, and employees, and any Owner.

6.11.8 The Master Association shall accept and act upon applications submitted to it for the development of additional Common Facilities.

6.11.9 The Master Association shall from time to time make, establish, promulgate, amend and repeal Master Association rules and establish user charges for Common Facilities.

6.11.10 After the control of the Architectural Control Committee is transferred from the Declarant to the Board of Directors of the Master Association, the Master Association shall appoint and remove members of the Architectural Control Committee and insure that at all reasonable times there is a duly constituted and appointed Architectural Control Committee.

6.11.11 The Master Association shall levy assessments upon all members of the Master Association and take such action as the Board deems to be required for the collection of assessments and user charges. With regard to the levy and collection of assessments for the restoration, repair, and maintenance of roadways, traffic control, and planting areas within roadways, all such levy assessments made by the Master Association shall be made on a prorate basis so that the Building Site Owners within each Phase of the Subdivision are assessed only for those costs and expenses incurred to restore, repair, maintain or plant planting area in roadways located within the respective Phase(s) of the Subdivision.

6.11.12 The Master Association shall take such actions, whether or not expressly authorized by these Covenants and Conditions, as may reasonably be necessary to implement and enforce these Covenants and Conditions, the Master Association rules and the Architectural Control Committee rules.

6.12 Powers and Authority of the Master Association.

6.12.1 The Master Association shall have all of the powers set forth in its Articles of Incorporation, including the power to levy and collect assessments from Members hereinafter provided, together with its general powers as a non-profit corporation (subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws and in these Covenants and Conditions) to do all lawful things which may be required to be done by the Master Association under these Covenants and Conditions and to do all acts which may be necessary for or incidental to the exercise of any express power of the Master Association or for the peace, health, comfort, safety and/or general welfare of the members of the Master Association. Without limiting the generality of the foregoing:

6.12.2 The Master Association shall have the power and authority at any time without liability to any Owner, to enter upon any Building Site for the purpose of enforcing these Covenants and Conditions, or for the purpose of maintaining any such Building Site, and any Improvements thereon, if for any reason whatsoever the Owner thereof fails to maintain such Building Site or any structure thereon as required under these Covenants and Conditions, and for the purpose of removing there from any improvement constructed or maintained on any Building Site contrary to the provisions of these Covenants and Conditions. The Master Association shall have the power to commence and maintain actions to restrain and enjoin any breach or threatened breach of these Covenants and Conditions.

6.12.3 The Master Association, in fulfilling any of its duties, under these Covenants and Conditions, shall have the power and authority to:

6.12.3.1 Contract and pay for, or otherwise provide for, the maintenance, restoration and repair of all property which it owns from time to time, or leases from time to time when said lease provides that the Master Association shall be obligated to so maintain, restore and repair such leased property;

6.12.3.2 Obtain, maintain, and pay for such insurance policies or bonds, as the Master Association shall deem to be appropriate for the protection or benefit of the Subdivision, the Master Association, the members of the Board, of the Architectural Control Committee, or of the Master Association, including, but without limitation, war risk insurance, boiler insurance, workmen's compensation insurance, malicious mischief insurance, automobile non-ownership insurance, and performance and fidelity bonds;

6.12.3.3 Contract and pay for, or otherwise provide for, such utility services to property which it leases or owns, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services, as may from time to time be required;

6.12.3.4 Contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants and such other professional and non-professional services as the Master Association deems necessary;

6.12.3.5 Contract and pay for, or otherwise provide for, fire, police, and such other protection services as the Master Association shall from time to time deem necessary for the benefit of the Subdivision, any property located within the Subdivision, and Owners;

6.12.3.6 Contract and pay for or otherwise provide for, such materials, supplies, furniture, equipment, and labor, as and to the extent the Master Association deems necessary; and

6.12.3.7 Pay and discharge any and all liens from time to time placed or imposed upon property of the Master Association on account of any work done or performed by the Master Association in fulfillment of any of its duties;

6.12.3.8 Employ the services of a manager to manage the affairs of the Master Association and, to the extent not inconsistent with the laws of the State of Idaho and upon such conditions as are otherwise deemed advisable by the Master Association, the Master Association may delegate to the manager any of its powers under these Covenants and Conditions;

6.12.3.9 Contract for the operational management of any or all of the Common Facilities as it shall from time to time see fit.

6.12.3.10 Pay, compromise or contest any and all taxes and assessments levied against all or part of any property belonging to the Master Association;

6.12.3.11 Subject to the provisions of these Covenants and Conditions adopt, amend and repeal rules and regulations to be known as "Associated Rules" governing, among other things:

6.12.3.11.1 The use of the Common Areas and Common Facilities;

6.12.3.11.2 The use of Master Association property;

6.12.3.11.3 The collection and disposal of refuse;

6.12.3.11.4 The burning of open fires;

6.12.3.11.5 The keeping and maintenance of animals within the Subdivision; and

6.12.3.11.6 Other activities in the Subdivision which would adversely effect the peace and enjoyment of residents in the Subdivision.

6.12.3.12 Grant concessions and/or leases and approve subleases, with respect to any of the Common Facilities;

6.12.3.13 Establish and collect reasonable user charges for any Common Area or Common Facility which it owns.

6.12.3.14 Establish and collect reasonable assessments to cover the expenses and obligations of the Master Association and to charge interest, after the due date for such assessments, at a rate of up to the maximum rate provided by law or 18% per annum (whichever is less), and to seek enforcement of the duty to pay such assessments as set forth in Section 6.13.

6.13 Lien for Assessments.

6.13.1 If any Building Site Owner shall fail or refuse to make any such payment of dues and assessment when due, the amount thereof shall constitute a lien on the Building Site as described in the deed of conveyance to the Owner. Upon the recording of notice

thereof by the Master Association in the office of the Valley County Recorder, such lien shall attach to such Owner's interest superior to all other liens and encumbrances, recorded or unrecorded, except only (a) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this state and any other state or federal taxes which by law are a lien on the interest of such Building Site Owner prior to pre-existing recorded encumbrances thereon, and (b) all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance.

6.13.2 The Master Association shall send a notice, postage prepaid, to any such encumbrance holder whose encumbrance was recorded prior to the time of recording the notice of lien provided for in this Section, at the address shown in the recorded encumbrance; provided that if such encumbrance holder has furnished the Master Association with another address, then such other address shall be used, and said Master Association shall not foreclose its said lien until at least thirty (30) days after the date of depositing such notice in the United States mails, postage prepaid, to the address of such encumbrance.

6.13.3 Any encumbrance holder holding a lien on a Building Site may pay any delinquent Assessments payable with respect to such Building Site and treat said payment as part of its encumbrance against the Building Site.

6.13.4 The lien provided for in this Section shall be in favor of the Master Association and shall be for the benefit of all other Building Site Owners, and may be foreclosed by an action brought in the name of the Master Association in a like manner as a beneficiary under a deed of trust. In any such foreclosure the Owner shall be required to pay the amount of the Assessment and accrued interest, the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien, and all reasonable attorney fees. The Owners shall also be required to pay the Master Association all assessments for the Building Site during the period of foreclosure, and the Master Association shall be entitled to a Receiver to collect the same. The Master Association shall have the power to bid in the total amount owed under this Section 6.13.4 at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its rights to such lien as may be necessary to expedient to an insurance company which will continue to give total coverage in spite of nonpayment of such defaulting Owner's portion of the premium.

6.14 The Master Association and its officers and directors, shall not be liable or accountable in damages for any action taken pursuant to the provisions of this Declaration.

6.15 Certificate of Assessments. Upon payment of a reasonable fee, as established by the Master Association and upon the written request of any Owner, mortgagee, prospective grantee or prospective mortgagee, of a Building Site, the Master Association shall to be issued a written certificate setting forth the amount of unpaid common expenses, if any, with respect to the subject Building Site; the amount of the current Assessment and the date upon which such Assessment becomes due; and credit for advanced payments or for

prepaid items (including, but not limited to, insurance premiums). Such certificate shall be conclusive upon the Master Association in favor of all persons who rely thereon in good faith. Unless such request for a certificate of Assessments be complied with within ten (10) days of the receipt of the request, then (a) in the case of a request by a mortgagee or prospective mortgagee, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien of said mortgagee or prospective mortgagee, or (b) in the case of a request by a prospective grantee, he shall not be liable for, nor shall the Building Site conveyed be subject to a lien for, any unpaid assessments or common expenses which became due prior to the date of making such request. No failure of the Master Association to comply with a request for a certificate shall relieve the Owner from personal liability for Assessments or constitute a waiver of lien rights against the subject Building Site. The provisions contained in this Section shall not apply upon the initial transfer of the Building Site by Declarant.

6.16 Meetings of Master Association.

6.16.1 Board of Directors. At least during every two (2) month period the Board of Directors shall meet to conduct such business as may come before the Board.

6.16.2 Annual Meeting of Members. There shall be an annual meeting of the Members of the Master Association as provided in the Bylaws of the Master Association. The first meeting of the Members of the Master Association, whether annual or special, shall be held within the first six (6) months following the close of the first sale of a Building Lot within such Subdivision. Such meeting shall be held on the Subdivision or at such other convenient location in or near the Subdivision as may be designated in the notice of such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member within the Master Association no later than ten (10) days prior to the meeting by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Members having one-quarter (1/4) of the total voting power within the Master Association.

6.16.3 Special Meetings. A special meeting of the Members of the Master Association may be called at any reasonable time and place by written notice by the Delegates to the Master Association representing the Members in the Master Association, or by the Members in the Master Association having one-quarter (1/4) of the total votes within the Master Association, and delivered to all other Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken.

6.16.4 Quorum. The presence at any meeting, in person or by written proxy, of the Members entitled to vote at least twenty-five percent (25%) of the total votes within the Master Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty 30 days from the time the original meeting was called. The Members

present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.

Article 7: Local Associations

- 7.1 Creation by Declarant. Declarant may create Local Associations as profit or non-profit corporations under the provisions of the Idaho Code relating to general non-profit corporations, or Grantor may create such a Local Association as any incorporated entity which Declarant deems appropriate. Declarant may in its discretion, create a Local Association by means of a Supplemental Declaration, or create such Association by means of separate instruments, and may in its discretion grant to such Local Associations a revocable, non-exclusive license to use the name "Blackhawk Ranch".
- 7.2 Members of Local Associations. Where a Local Association is created, the Members thereof shall be all of the Owners in the respective Phase(s) designated in the applicable Supplemental Declaration. Membership may not be transferred only as specified in Section 6.2 for the Master Association. Members of a Local Association shall be Members of the Master Association.
- 7.3 Voting in Local Associations. Each Local Association shall have two (2) classes of memberships:
- 7.3.1 Class A Members. Class A Members shall be the Owners of Building Sites within a Phase whose Owners are Members in the Local Association, excluding the Declarant, who shall have one (1) vote for each single-family detached Building Lot owned by said Members.
- 7.3.2 Class B Members. Declarant shall be the sole Class B Member, and shall be entitled to three (3) votes for each Class A Member. The Class B Member shall cease to be a voting Member in the Local Association when the Declarant's ownership of Building Sites within the applicable Phase is no more than five percent (5%).
- 7.4 Delegate to Master Association. Each Local Association representing a Phase shall in writing designate one (1) delegate to the Master Association. The Chairman of any meeting at which a Delegate is elected shall certify in writing to the Master Association Board the name of the Delegate and the Local Association the Delegate represents. A Delegate may be removed without cause by a majority of the votes, in person or by proxy, of the Members in the Local Association. Each Delegate will be entitled to cast one (1) vote for each single-family detached Building Lot owned by Members, including Declarant, of the Local Association which the Delegate represents. Only members of the Local Association for which the Delegates are selected shall be eligible for election as Delegates to represent said Local Association. Upon termination of any Delegate's membership in the Local Association for which he or she is selected, such Delegate's term of office shall immediately terminate, and a new Delegate shall be appointed by the Board to serve until the next annual or special meeting at which a new Delegate can be elected. Each Delegate of the applicable Local Association shall cast the votes, which he or she

represents in such a manner as he or she shall deem appropriate acting on behalf of all of the Members in the Local Association represented by such Delegate. However, as to a Special Assessment or increase in Regular Assessment, or in the event at least fifty-one percent (51%) of the voting memberships in any Local Association shall determine at any duly constituted meeting of the Members to instruct their Delegate as to the manner in which he or she is to vote on any issue to be voted on by the Delegates, then the Delegate representing such Local Association shall cast all of the voting power in such Local Association in the same proportion, as nearly as possible without counting fractional votes, as the membership shall have voted "for" and "against" such issue. When a Delegate is voting in his or her own discretion without instruction from his/her Local Association, then such Delegate shall cast all of the votes which he/she represents as a unit and may not apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be conclusively presumed for all purposes that any Delegate casting votes on behalf of the Members of a Local Association will have acted with the authority and consent of all such Members. All agreements and determinations lawfully made by the Master Association and in accordance with the voting procedure established herein, and the Bylaws, shall be deemed to be binding on all Members, Owners, Declarant, and their respective heirs, successors and assigns.

- 7.5 Notwithstanding any of the foregoing, the Declarant, as the Class B Member of the Master Association and all Local Associations shall instruct the Declarant's Delegate to cast the Declarant's votes, as Declarant in its sole and absolute discretion, shall determine.
- 7.6 Selection of Delegate(s) for Phases. In the event that there shall not be created a Local Association for the operation of a Phase, the Delegate representing said Phase at the Master Association shall be elected by Owners (including Declarant) holding a majority of the voting power in the Phase. Said Phase and Delegate shall be treated the same as a Local Association and its corresponding Delegate as provided for in this Master Declaration.
- 7.7 Annual Meetings of Local Associations. There shall be an annual meeting of the Members of each Local Association at least ten (10) days but no more than sixty (60) days prior to every annual meeting of the Master Association. The first meeting of the Members in each Local Association, whether annual or special, shall be held within the first six (6) months following the close of the first sale of a Building Lot within such Phase; provided however, that the first meeting of any Local Association must occur prior to the first annual meeting of the Master Association. At the first meeting of the Members in such Local Association and at each subsequent annual meeting, such Members shall elect the Delegates to represent them. If a Local Association does not hold its annual meeting prior to the Master Association annual meeting and does not elect its Delegates, said Local Association shall not be entitled to vote at the Master Association annual meeting. Such Delegates shall continue to be Delegates for one (1) year or until their successors are elected, whichever is later, unless such Delegates are removed by a vote or written consent of a majority of the voting power in such Local Association. Such meeting shall be held within the Phase or at such other convenient location in or near the Phase as may be designated in the notice of

such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member within the Local Association no later than ten (10) days prior to the meeting by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Members having one-quarter (1/4) of the total voting power within such Local Association. A special meeting of the Members in any Local Association may be called at any reasonable time and place by written notice by the Delegates to the Master Association representing the Members in such Local Association, or by the Members in the Local Association having one-quarter (1/4) of the total votes within such Local Association or Phase, and delivered to all other Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken. The presence at any meeting, in person or by written proxy, of the Members entitled to vote at least twenty-five percent (25%) of the total votes within such Local Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty 30 days from the time the original meeting was called. The Members present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.

- 7.8 Management, Power, Duties and Restriction. Each Local Association shall be managed by a Board of Directors and officers, and shall have the same powers, duties and restrictions with respect to its Members or the property owned, managed or maintained by it contained in Section 6.12, including, without limitation, requiring Assessments, adopting rules and regulations, granting easements, licenses and rights-of-way, payment of expenses, taxes, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements, except as modified herein or as modified by a Supplemental Declaration. The Board may delegate all powers and duties, which it deems appropriate for the benefit of the Local Association. Local Associations shall assess all Assessments through the Master Association. Each Such Local Association shall certify to the Master Association the amount of such Assessments and charges for collection. The Local Association Board, Members, committee, officers, Declarant, or the manager, if any, shall be free of personal liability as to the Local Association in the same manner as described in Section 6.13.5 for the Master Association.

Article 8: Miscellaneous

- 8.1 A Violation of Covenants. Whenever there shall have been built on any Building Site a structure which is in violation of these Covenants and Conditions, such persons as are authorized by the Board of the Master Association shall have the right to enter upon the Building Site where the violation exists and to summarily abate and remove, at the expense of the Owners thereof, any erection, thing, or condition that may exist thereon contrary to the intent and meaning of the provisions hereof. The Association, its Board, agents, and assigns, shall not be deemed guilty of any manner of trespass for such entry, abatement, or

removal. The costs and expenses of such entry, abatement, and removal shall become a lien upon the Building Site upon the recording by the Master Association of a sworn statement with respect thereto in the Valley County Recorder's Office. In addition, if any person shall violate or threaten to violate any provisions of this Declaration, it shall be lawful for any Owner of property in the Subdivision or for the Association to initiate proceedings at law or in equity to enforce the provisions of this Declaration, to restrain the person violating or threatening to violate the terms of this Declaration, and to recover damages, actual and punitive, together with reasonable attorney's fees, for such violations.

- 8.2 Term. The Covenants and every provision hereof shall continue in full force and effect for a period of twenty-five (25) years from the date hereof, and shall thereafter be automatically renewed for successive ten (10) year periods unless and until terminated as provided in, Section 6.3 hereof.
- 8.3 Termination and Modification. To the extent set forth in Section 9.4, the Declarant may amend, modify or supplement this Declaration at any time during the term hereof. The Architectural Control Committee, was appointed, may amend the Covenants and Conditions hereof in accordance with Section 5.3. Otherwise, this Declaration and every provision hereof may only be terminated, extended, modified or amended, as to the whole of said Subdivision or any portion thereof, with the written consent of the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision; provided, however, that during the initial twenty-five (25) year term of these Covenants, no such termination, extension, modification or amendment shall be effective without the written approval of Declarant so long as the Declarant continues to own any ownership interest in Building Sites within the Subdivision. Such termination, extension, modification or amendment shall be immediately effective upon recording a proper instrument in writing, executed and acknowledged by such Owners (and/or by Declarant as provided herein) in the office of the Recorder of Valley County, Idaho.
- 8.4 Amendment. The Declarant may amend Article 2 to include additional land within the Subdivision covered by this Declaration so long as such land adjoins land contained within the Subdivision, and such land is owned by Declarant at the time of an amendment (for the purposes of this Section, land separated only by roads and waterways shall be deemed to "adjoin"). An amendment shall be effected upon Declarant recording a declaration describing the land to be included, setting forth such additional limitations, restrictions, covenants and conditions as are applicable to such land, and declaring that the land is to be held, sold, conveyed, encumbered, leased, occupied and improved subject to this Declaration, as amended.
- 8.5 Governmental Regulations and Laws. To the extent that the applicable county or other governmental regulations, rules, or codes and ordinances or laws are more restrictive in their allowable land utilization than these Covenants and Conditions, they shall supersede these Covenants and Conditions and govern at all times.
- 8.6 Assignments of Declarant's Rights and Duties. Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant to any person or

entity which will assume any or all of the duties of Declarant hereunder, and upon any such person or entity evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder. The term "Declarant" as used herein includes all such assignees and their heirs, successors and assigns. If at any time Declarant ceases to exist and has not made such an assignment, a successor Declarant may be appointed by the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision upon compliance with the requirements of Section 9.3.

- 8.7 No Waiver. All of the covenants and conditions, restrictions and reservations contained in this Declaration shall be construed together, but if it shall at any time be held that any one of said Covenants and Conditions, or any part thereof, is invalid, or for any reason becomes unenforceable, no other covenants and conditions, restrictions and reservations or any part thereof, shall be thereby affected or impaired.
- 8.8 Owner's Liability Subsequent to Sale. Upon the sale of Building Site, the Owner so selling shall not have any further liability for the obligations thereon which accrue against the Building Site sold after the date of the conveyance; provided, however, that nothing herein shall be construed so as to relieve an Owner of any Building Site from any liabilities or obligations incurred pursuant to these Covenants and Conditions prior to such sale. Furthermore, any such sale shall not enlarge or extend the time for commencement of construction upon a Building Site.
- 8.9 Personal Liability. No member of the Board or any committee of the Association or any officer of the Association, or the manager, if any, or member of the Architectural Control Committee or of Declarant, or any agent of Declarant, 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 of any act, omission, error or negligence of any such person or entity in the administration or performance of duties imposed by this Declaration (or any amendment hereof), provided that such person or entity has, upon the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.
- 8.10 Benefits and Burdens. The terms and provisions contained in this Declaration shall bind and inure to the benefit of the Declarant, the Owners and Occupants of all Building Sites located within the Subdivision, and their respective heirs, successors, personal representatives and assigns.
- 8.11 Notice. Unless the proposed recipient has provided notice of another address for mailing, all notices shall be in writing and hand delivered or mailed, if mailed, the notice shall be sent postage prepaid and shall be directed as follows: (1) to the address of the Building Site if improved, (2) if the Building Site is not improved to the address set forth in the purchase contract or purchase contract application, or (3) to the last known address of the

Owner. If intended for Declarant, to the address previously set forth herein. If to the Association to the designated address of the Association or the registered agent of the Association.

8.12 Context of Terms. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

8.13 Mortgage. The term "mortgage" as used herein shall include deeds of trust and trust deeds.

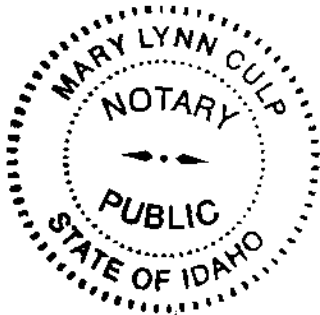
IN WITNESS WHEREOF, Declarant has executed this instrument this 25 day of 25, 2001.

L. B. INDUSTRIES, INC.

James K. Ball
By: James K. Ball
Its Vice President

State of IDAHO)
) ss.
County of Ada)

On this 26th day of July, 2001, before me, a Notary Public, in and for said State, personally appeared James K. Ball, known to be the Vice President of L. B. Industries, Inc., the corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.



Mary Lynn Culp
NOTARY PUBLIC
Residing at: Ada County
My Commission Expires: 11/03/06

EXHIBIT "A"

LEGAL DESCRIPTION

Lot 11 in SW $\frac{1}{4}$; Section 30, Township 18 North, Range 3 East, B.M., Valley County, Idaho.

Lot 1; SW $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; excluding property in above described areas west of county road, Section 25, Township 18 N., Range 2 East, B.M., Valley County, Idaho.

A parcel of alluvion land, but not limited to said land, which is located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, Township 18 North, Range 2 East and in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 31, Township 18 North, Range 3 East, B.M., Valley County, Idaho, said land lies South of the South Section lines of said Section 25, Township 18 North, Range 2 East and said Section 31, Township 18 North, Range 3 East, but North of the high water mark of the North fork of the Payette River.

Lot 2; Lot 3; Lot 6; Lot 7; N $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$; excluding that property lying west of county road; Section 36, Township 18 N., Range 2 E., B.M., Valley County, Idaho.

Lot 2; Lot 3; Lot 4; Lot 5; Lot 8; Lot 9; S $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$; excluding that property lying west of county road; Section 1, Township 17 N., Range 2 E., B.M., Valley County, Idaho.

Lot 2; Lot 3; Lot 6; NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; excluding that property lying west of county road Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho;

SAVE and EXCEPT an irregular shaped parcel of land located in the South $\frac{1}{2}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho, lying South of the following described 60 foot wide Non-exclusive Easement, but North of the existing fence line which runs East-West approximately along the North boundary line of the South $\frac{1}{2}$ of the Southwest $\frac{1}{4}$, Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho.

SUBJECT TO a 60 foot wide non-exclusive Easement located in the S $\frac{1}{2}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho; which lies 30 feet on either side of the following described center line;

Beginning at a point on a existing fence line which is located approximately at the NW corner of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho; thence North 30 feet along the East boundary line of the county road right-of-way the Real Point of Beginning: Thence East 800 feet parallel with the existing fence line to a point, which fence line runs East-West, thence North 60 East a distance of 500 feet to a point; thence East 350 feet to a point; thence South 45 East to a point on the existing fence line which runs East-West approximately along the North line of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho, which point is the end of the above described Easement.

BLACKHAWK RANCH MASTER

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Article 1: Recitals

- 1.1 Property Covered. The property potentially subject to this Master Declaration of Covenants, Conditions and Restrictions for Blackhawk Ranch is the property legally described in Article 2 hereof which property consists of approximately 1100 acres approved by Valley County for the development of up to 277 residential units ("Blackhawk Ranch"). Grantor (hereinafter "Declarant") intends to develop the Property in multiple development Phases, as defined below. Each Phase, and any property otherwise annexed into Blackhawk Ranch shall be subject to this Master Declaration through a Supplemental Declaration, and all property made subject to this Master Declaration shall be referred to as the "Property". Unless and until a Supplemental Declaration is filed with the Valley County Recorder's Office, no property located within Blackhawk Ranch or otherwise shall be subject to this Master Declaration. Each Owner, by accepting a deed to any portion of the Property, acknowledges and agrees that Grantor is under no obligation to subject any portion of Blackhawk Ranch to this Master Declaration.
- 1.2 Residential Development. Blackhawk is a residential development, which Declarant currently intends to develop in accordance with existing development approvals obtained by Declarant from Valley County, or any other development plan(s) for which Declarant may from time to time obtain approval from Valley County (the "Master Plan and Plat"). The Property will be developed for single-family residential homes, including, without limitation, single-family detached housing.
- 1.3 Purpose of Master Declaration. The purpose of this Master Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively "Covenants and Conditions") that will apply to the entire development and use of any and all portions of the Property. The Covenants and Conditions are designed to protect, enhance and preserve the value, amenities, desirability, and attractiveness of the Property; to ensure a well-integrated, high quality development; and to guarantee adequate maintenance of the Common Area, including any improvements located thereon in a cost effective and administratively efficient manner.

Article 2: Property Subject to this Declaration of Protective Covenants

L. B. Industries, Inc. ("Declarant"), an Idaho corporation having its principal place of business and mailing address located at P.O. Box 2797, 1401 Shoreline Drive, Boise, Idaho, 83701, is the Owner of all of that property within the subdivision named Blackhawk Ranch in Valley County, Idaho. The real property which is, and shall be conveyed, transformed, occupied, and sold subject to the covenants and conditions, restrictions, reservations and easements ("Covenants and Conditions") as set forth within the various clauses and covenants of this Declaration is located in the County of Valley, State of Idaho, and is more particularly described in Exhibit "A".

attached hereto and incorporated herein by reference. Declarant hereby declares that the Property, and each lot, parcel or portion thereof, is and/or shall be held, sold, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms and Conditions and Covenants, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms and Covenants and Conditions set forth herein shall run with the land constituting the Property, and with each estate therein, and shall be binding upon any Person having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; shall inure to the benefit of every lot, parcel or portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon the Declarant, Declarant'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 Declarant, any grantee or grantee's successor, any Owner or Owner's successors, or by the Master Association, or any Local Association. In the event any conflict between this Master Declaration and any other of the project documents, other than expressly unique covenants, conditions, restrictions and easements in Phases, this Master Declaration shall control.

Article 3: General Purposes and Definitions

- 3.1 The real property described in Article 1 hereof is subject to the covenants and conditions, restrictions, reservations, and easements hereby declared to ensure the best use and the most appropriate development and improvement of each Building Site thereof; to protect the Owners of Building Sites against such improper use of surrounding Building Sites as will depreciate the value of their property; to preserve, so far as practical, the natural beauty of such property; to prevent the construction of improper or unsuitable Improvements; to encourage and secure the erection of attractive dwellings thereon; and in general to create and keep the Subdivision, insofar as possible, desirable, attractive, beneficial, and suitable in architectural design, materials and appearance; to guard against fires and unnecessary interference with the natural beauty of the Subdivision and to provide adequately for the improvement of said property; all for the mutual benefit and protection of the Owners of Lots and Building Sites in the Subdivision.
- 3.2 Blackhawk Ranch Master Plan has been approved by Valley County Planning and Zoning.
- 3.3 As used herein the following words and terms shall have the following meanings.
 - 3.3.1 "Architectural Control Committee" shall mean that certain committee initially established by the Declarant (and later maintained by the Master Association) to review and approve construction plans and plans for improvement of the Building Sites within the Subdivision.
 - 3.3.2 "Articles" shall mean the Articles of Incorporation of an Association or other organization or charter documents of an Association.

3.3.3 "Assessments" shall mean those payments required of Owners who are Master Association Members or Local Association Members, including Regular, Special and Limited Assessments. The Master Association and/or any Local Association shall have the right to require assessments from their respective Members, however all Local Association Assessments shall be levied by and through the Master Association.

3.3.4 "Association" shall mean the Master Association and/or any Local Association; whichever is appropriate in the context.

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

3.3.6 "Blackhawk Ranch Master Property Owners' Association, Inc." (or other such similar name adopted to act as a master property owner's association covering Blackhawk Ranch; hereinafter such association may sometimes be referred to as the "Association") shall mean that certain property owner's association described in Article 6 hereinafter which shall be established at a later date by the Declarant of which every Owner of property within the Subdivision shall become a member as set forth in the Supplemental Declarations for each Phase of the Subdivision. The Declarant will create the Master Association at the time and according to the terms more completely provided herein. Prior to the creation of the Master Association by the Declarant, all rights granted to the Association by these Covenants and Conditions shall be reserved to and exercisable by Declarant.

3.3.7 "Building Site(s)" or "Sites" shall mean any contiguous plot of the Subdivision the size and dimensions of which shall be established by the legal description in the original conveyance from Declarant to the first fee Owner (other than Declarant) of said plot of the Subdivision. If two or more Lots, or portions of one or more Lots, as designated on the recorded Plat on any Phase thereof, are contiguous and described in such original conveyance from Declarant to the first fee Owner, if so elected by such first fee Owner, such Lots or parts thereof shall be treated as a single Building Site for purposes of the Covenants and Conditions herein contained.

3.3.8 "Common Areas" shall mean and include collectively all real property or Out Lots within the Subdivision which are designated to be owned or are owned by the Master Association, including (without limitation) any real property upon which Common Facilities are located or are intended to be located and any property designated and held by the Declarant for use as a Common Area and any property deeded by the Declarant to the Master Association for use as Common Area. The term "Common Area" shall not include any real property owned by or reserved for governmental entities. "Common Areas" shall mean any and all parcels of Common Area or Local Common Area, whatever is appropriate in the context, and shall include, without limitation, all such parcels that are designated as roads, streets, drives, parking areas or drives, walking paths,

common open space or area, pastures, wildlife habitat, wetlands common landscaped areas, storage facilities, waterway access points, other amenities and facilities, and Waterways. Common Area may be established from time to time by Declarant on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designating it as such in this Master Declaration or any Supplemental Declaration. In addition, the Master Association may acquire any Common Area it deems necessary and/or beneficial to the Property. Common Area may include easement and/or license rights.

3.3.9 "Common Facilities" shall mean the facilities developed by the Declarant or the Association for the general use of the Owners, their families and guests which is located, or to be located, within the Subdivision and any other facilities of a similar nature situated in the Subdivision which the Declarant has designated for future transfer to the Association or which the Association may from time to time own, lease, operate or otherwise control.

3.3.10 "Declarant" shall mean L. B. Industries, Inc., an Idaho corporation, its successors and assigns.

3.3.11 "Delegate(s)" shall mean a person selected by Members of a Local Association or Owners within a Phase, and by Declarant (until Declarant's Membership terminates), to represent their respective interests in the Master Association. All Delegates to the Master Association shall comprise the members of the Master Association Board. Members of a Local Association or Owners within a Phase, and Declarant (until Declarant's membership terminates), shall elect separate Delegates to the Master Association.

3.3.12 "Improvements(s)" shall mean structures and construction of any kind, whether above or below the land surface, such as, but not limited to, buildings, accessory buildings, private wells, water lines, septic systems or sewers, electrical and gas distribution facilities, loading areas, parking areas, walkways and walking paths, walls, fences, hedges, plantings and other landscaping, signs and external lighting.

3.3.13 "Lot" shall mean each lot reflected on the recorded plat of the Subdivision.

3.3.14 "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 Master Association or Local Association, plus applicable interest, in connection with corrective action performed pursuant to the provisions of the Master Declaration or any Supplemental Declaration, including, without limitation, damage to any Common Area, Restricted Area or failure of an Owner to keep his/her/its Building Lot and Improvements in proper repair, as provided in this Master Declaration or a Supplemental Declaration. All Limited Assessments made by a Local Association shall be levied through the Master Association.

3.3.15 "Local Association(s)" shall mean any profit or non-profit Idaho corporation or unincorporated association, or the successor of any of them, organized and established by Declarant or Owner/Members of a particular Phase pursuant to or in connection with the

terms of this Master Declaration or a Supplemental Declaration. A Local Association shall have no right, title or interest in name "Blackhawk," stylized or otherwise, or any logo in connection therewith.

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

3.3.17 "Maid/Guest House" shall mean a residential structure for use as servant's quarters or guest quarters, which is attached to the main residential structure.

3.3.18 "Master Association" shall mean the Idaho non-profit corporation, or its successors, organized and established by Declarant to exercise the powers and to carry out the duties set forth in this Master Declaration or any Supplemental Declaration. Declarant shall have the power, in its discretion, to name the Master Association the "Blackhawk Ranch Master Property Owners' Association, Inc.," or any similar name which fairly reflects its purpose. The Master Association shall have no right, title or interest in the name "Blackhawk," stylized or otherwise, or in any logo in connection therewith.

3.3.19 "Member" shall mean each Owner, including Declarant, holding a membership in the Master Association. Where specific reference or the context so indicates, it shall also mean Owners, including Declarant, holding membership in a Local Association.

3.3.20 "Occupant" shall mean and include 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 Site or Sites whether or not such right is exercised, and their heirs, assigns and successors in interest.

3.3.21 "Private Roads" shall mean all ingress and egress roadways within the Subdivision beginning and ending from the points of ingress and egress from West Mountain Road. All Subdivision Private Roads constitute Common Areas, which will be held by the Declarant until deeded to the Master Association. Private Roads will not be provided County or State services such as snow removal and repairs. After deeding by Declarant to the Master Association, the Master Association will be required to provide all necessary services. Common Area Private Roads will be deeded to the Master Association subject to an access and use easement for the benefit of Owners.

3.3.22 "Owner" or "Owners" shall mean the party or parties having any fee hold estate interest in any Building Site, excluding any person who holds such interest as security for the payment of an obligation, but including any mortgage, under deed of trust or other security holder in actual possession of any Building Site, as a result of foreclosure or

otherwise, and any person taking title through such security holder, by purchase at foreclosure sale or otherwise.

3.3.23 "Out Building" shall mean an enclosed covered building to be used as a barn, garage or for other storage purposes not directly attached to the main structure which it serves.

3.3.24 "Out Lot" shall mean real property reserved by Declarant for open space, roadways, utilities or recreational facilities.

3.3.25 "Phase" shall mean any subdivision plat covering any portion of the Subdivision Property as recorded in the Valley County Recorder's Office as the same may be amended by duly recorded amendments thereof.

3.3.26 "Restricted Area" shall mean that portion of the Property, which is not Common Area or Building Sites, but is owned or leased, operated and maintained by the Master Association or any Local Association. Restricted Area may be established from time to time by Declarant on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designation it as such in this Master Declaration, any Supplemental Declaration or Master Plan and Plat. In addition, the Master Association may acquire any Restricted Area it deems necessary and/or beneficial to the Property and/or the Owners. Restricted Area may include easement, lease and/or license rights. Restricted Area shall not be subject to use by Members, Owners or the Public; provided however, that the Master Association shall have the power to convert any Restricted Area into Common Area or to allow limited or selective use of the Restricted Area in accordance with Federal and State environmental, water quality and/or other controls and regulations

3.3.27 "Single Family Residence" shall mean a single-family residential building together with not more than one (1) Out Building.

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

3.3.29 "Subdivision" shall mean the land described in Article 2, which consists of the entire Blackhawk Ranch Subdivision as set forth in the Master Plan and Plat approved on May 13, 1999, by Valley County, as the same may be amended from time to time and approved by Valley County. Declarant may, pursuant to the following provisions of this Declaration, amend Article 2 to include all or any part of any land owned by it at the time of the amendment if the same is adjoining land (for the purpose of this paragraph, land separated only by roads or water ways shall be deemed to "adjoin") or land which Declarant includes in the Master Plan and Plat submitted by Declarant and which receives approval by Valley County.

3.3.30 "Supplemental Declaration" shall mean any Supplemental Declaration including additional covenants, conditions and restrictions that might be adopted by Declarant with respect to any Phase or any portion of the Property.

3.3.31 "Walking Path and Waterways" shall mean any surface water amenity, including without limitation, any lake, pond, channel, slough, stream, or reservoir, natural or artificial, which is located on the Property and any foot path, walk way, paved or unpaved, that runs along or is established in connection with any Waterway.

Article 4: Covenants and Conditions

4.1 Land Use and Building Type.

4.1.1 No Building Site shall be used except for residential purposes, and each Site shall be limited to one Single Family Residence. No building shall be erected, altered, placed, or permitted to remain on any Site other than for residential or recreational purposes or for a private garage, barn, and other Out Buildings incidental to residential use of the premises. All structures constructed on any Building Site shall be constructed with a substantial quantity of new materials and no used structure shall be relocated or placed on any Building Site. No trailer, motor or mobile home, basement, tent, shack, garage, barn, or other Out Building located or erected on a Building Site covered by these Covenants and Conditions shall at any time be used for private habitation, except in the following situations:

4.1.1.1 During the construction period for a given Building Site (which must be completed within twelve (12) months - see Section 3.12) a recreational vehicle (camping trailer or motor home) may be used for temporary habitation of the Building Site Owner and/or Occupants as approved on a case-by-case basis by the Architectural Control Committee.

4.1.1.2 After the construction of a Single Family Residence has been completed upon a Building Site, a recreational vehicle (camping trailer or motor home) may be used for temporary habitation by guests for consecutive periods not exceeding fourteen (14) days or nights. At the conclusion of such fourteen (14) consecutive day or night occupancy period, the recreational vehicle must be removed from the Building Site for at least fourteen (14) consecutive days.

4.1.2 No Building Site shall be used for any retail commercial or business purposes whatsoever. The Covenants and Conditions set forth within this Section 4.1 shall not apply to Declarant's or its agent's real estate sales office (if any), and the activities conducted in connection therewith.

4.2 Approval of Construction Plans.

4.2.1 No building or other structure shall be constructed, erected, or maintained on any Building Site, nor shall any addition thereto or change or alteration therein be made unless it complies with applicable Valley County, Idaho, zoning ordinances and until the

complete plans and specifications (including, but not limited to, the floor, elevations, plot, grading, and landscaping plans), provisions for off-street parking, the specifications of principal exterior materials and color schemes, and the location, character and method of utilization of all utilities) have been submitted to and approved in writing by the Architectural Control Committee. Each building or other structure shall be constructed, erected, and maintained in strict accordance with the approved plans and specifications.

4.2.2 The procedures dealing with the submission of plans to the Architectural Control Committee are set forth in Article 5.

4.3 Minimum Floor Area and Building Heights.

4.3.1 Single Family Residence - no main residence structure shall be permitted on any Building Site covered by these covenants, the habitable floor area of which, exclusive of basements, porches, and garages, is less than 1,200 square feet.

4.3.2 Single Family Residence - no main residence structure shall be permitted to have more than two (2) above ground floors (a daylight basement shall not generally be considered an above ground floor). In the case of a two (2) story (above ground) structure, the first floor shall have no less than 800 square feet of the required 1,200 square feet of total habitable floor area.

4.3.3 The maximum height of any building shall be in compliance with the Valley County zoning ordinances.

4.4 Set Back Requirements. Some Building Sites have designated building envelopes as per the recorded Subdivision plat, if a building envelope is designated for a given Building Site, all Improvements must stay within the designated building envelope and construction must be conducted to reasonably minimize disturbance to areas of the Building Site outside of the building envelope. Notwithstanding the foregoing, the specific location of such Improvements must also receive the advance approval of the Architectural Control Committee, as more completely described herein and all such Improvements shall conform to the Valley County zoning regulations then in effect.

4.5 Fences. To maintain and preserve the natural beauty of land, no fence, wall, or similar type barrier of any kind shall be constructed, erected, or maintained on any Building Site for any purpose whatsoever, except such fences, walls, or barriers that are attached to the main structure for privacy or enclosure of pets as may be approved by the Architectural Control Committee (in no case will chain link fencing, enclosures or barriers, be approved). No lot line fencing will be permitted on any Building Site.

4.6 Signs. No signs of any kind shall be displayed to the public view on any part of the property, except one sign of not more than two (2) square feet designating the Owner of any Building Site, one sign of not more than six (6) square feet advertising the property for sale or rent, and except temporary signs used by Declarant, or its agent, to advertise property.

4.7 Easements. Easements and rights-of-way as described on the recorded plat of the Subdivision or any Phase may have been reserved for poles, wires, pipes, and conduits for electricity, gas, telephones, sewer, drainage water, snow removal, utility, road and other purposes, together with the right of ingress and egress for further construction, maintenance and repair thereof as shown on the recorded plat of the Subdivision. No dwelling, Improvement, material, equipment, or refuse shall be placed on any part of said property within the area of easements reserved so as to interfere with the use thereof as reserved.

4.8 Garbage and Refuse Disposal.

4.8.1 No part of the Subdivision above or below ground shall be used or maintained as a dumping ground for refuse, trash, garbage, debris, or other waste. At all times the Subdivision shall be maintained in a sanitary condition.

4.8.2 All fish cleaning shall be performed at designated locations in the Common Areas or will be performed on the Owner's own Building Site. All debris and waste from fish cleaning will be properly disposed of in appropriate garbage containers. Under no circumstances will dead fish or fish parts be left on the ground or thrown into the water of the Subdivision ponds or streams or the Payette River.

4.8.3 Reasonable precaution shall be taken against fire hazards and no outdoor burning of any kind shall be permitted upon the Building Sites (except for cooking).

4.8.4 Each property Owner shall provide suitable receptacles for the temporary storage and collection of refuse on their Building Site and all such receptacles shall be screened from public view and protected from disturbance.

4.8.5 These restrictions also apply to contractors doing construction work on behalf of Owners.

4.8.6 Notwithstanding the foregoing, the burning of slash (plant debris) may be conducted under the direction of the Declarant or the Master Association, but only when done in accordance with applicable law.

4.9 Trees. Living trees, the trunk of which is four (4) inches or more in diameter, naturally existing upon a Building Site, except to the extent necessary for construction purposes, shall not be cut, trimmed, or removed from the properties except as may be approved by the Architectural Control Committee.

4.10 Animals, Livestock and Poultry.

4.10.1 No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the property for any commercial purpose. Household pets kept for personal or recreational purposes must be kept within the boundaries of the Building Site unless accompanied by and under the control of the Owner.

4.10.2 All pet enclosures must match the colors of the main structure on the Building Site, be attached to the main structure on the Building Site and receive the prior approval of the Architectural Control Committee.

4.10.3 Idaho Law prohibits dogs from disturbing or chasing wildlife. Fish and Game Policy allows for destruction of dogs in the pursuit of big game animals. Owners may be cited and fined. When dogs are out of their enclosures the Owner is responsible to keep them on a leash and for cleanup of animal waste in the Common Areas or other areas outside their Building Site.

4.11 Landscaping.

4.11.1 Declarant has set aside some natural areas and wetland areas as Common Areas, as designated on Declarant's Master Plan and Plat of the Subdivision. These areas are not to be destroyed.

4.11.2 In order to insure protection of the water quality of the Payette River, creeks and ponds in Common Area, and the natural environment, all natural surface areas disturbed by construction shall be returned promptly to their natural condition and replanted in native grasses and trees. All previously prepared Sites will be landscaped and completely planted in native grasses and trees. The Architectural Control Committee may approve limited construction of gardens, lawns, and exterior living areas. Well water shall be restricted to domestic use only (domestic use is deemed to include non-commercial use of water for human and animal consumption, cleaning, washing, sanitation systems and reasonable watering of houseplants and exterior gardens and lawns).

4.12 Continuity of Construction. All structures commenced in this Subdivision shall be prosecuted diligently to completion and shall be completed within twelve (12) months of issuance of building permit unless approved in writing by the Architectural Control Committee.

4.13 Nuisance and Fire Arms. No noxious or offensive activity shall be carried on within the Subdivision nor shall anything be done or permitted which will constitute a public nuisance therein; nor shall any firearms be discharged within the Subdivision. Firearms as used herein shall be construed to mean not only rifles, pistols and cannons, but also fireworks, explosives, air rifles, BB guns, or similar devices.

4.14 Sewage Disposal. If public sewers become available, dwellings then under construction or subsequently to be built must make use thereof. Pending availability of public sewers, each dwelling must use a sanitary disposal system of a design and installation approved by Valley County, the Central District Health Department and the Idaho Department of Health and Welfare.

4.15 Parking.

4.15.1 Parking shall be accommodated on each Building Site with no Owner parking of vehicles allowed on Subdivision private or public streets, except in areas so designated for on street parking by the Declarant or the Association. Each Building Site shall

provide at least a one-car garage (three-car garage maximum) and the minimum of two additional parking units. Each additional parking unit shall be located entirely within the Building Site lines.

4.15.2 Parking in Common Areas shall be limited to those locations designated as being available for parking. Parking in these areas shall be for temporary purposes incidental to the use of the Common Areas and Common Facilities. No overnight parking or overnight camping shall be permitted in the vehicles located in the Common Areas.

- 4.16 Trailers and Motor Vehicles. No boats; trailers; campers; motor homes; commercial cars, trucks or vans; buses, or other portable vehicles, other than duly registered and licensed non-commercial cars, passenger vans, and light duty trucks, shall be parked forward of any dwelling at any time during three (3) consecutive days. Notwithstanding the foregoing sentence, commercial vehicles may not regularly be parked forward of any dwelling on a daily or other continuing basis (It is the intent of this provision to prohibit Owners or Occupants from regularly parking commercial vehicles on Building Sites. This Subdivision is residential and Owner or Occupant commercial vehicles should be garaged or otherwise concealed when parked on a Building Site). All boats, trailers, campers, motor homes, snowmobiles, All Terrain Vehicles, motorcycles and other motorized vehicles, if parked for a period exceeding 72 hours, must be concealed from sight of any traffic along Subdivision roads by appropriate fencing, enclosure or other year round screening. Any screened area must be located to the side yard or rear yard of a dwelling. No motor vehicle shall be constructed, reconstructed, or repaired upon the front or side yard of any Building Site or street; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or construction vehicles used in connection with the construction of any Improvement as approved by the Architectural Control Committee. No motor vehicle of any type, or part thereof, shall be permitted to remain on any Building Site or street in an exposed position and in a non-operative condition, for more than thirty (30) days in any calendar year. Any such vehicle or part thereof which does not display current or valid license plates and safety inspection stickers, as required by law, shall be deemed to be a "non-operating condition vehicle" and may be removed at the request of any Owner and at the expense of the Owner in violation, after a ten (10) day written notice has been provided. No motorized "off-the-road" vehicles shall be operated on any Building Site in a noisy or disturbing manner which would create a nuisance.
- 4.17 Snowmobiles, ATVs, Motorcycles, Etc. Snowmobiles, ATVs, motorcycles, and other recreational vehicles and equipment (all generally referred to as "Recreational Equipment"), shall not exceed 15 mph while operating in the Subdivision. It is the intent of the Declarant not to allow high-speed use of Recreational Equipment anywhere within the Subdivision (including their operation on Building Sites, Private Roads and Common Areas). The 15-mile per hour speed limited is intended to allow Recreational Equipment to be driven to and from the Subdivision but is not intended to allow recreational use within the Subdivision. All recreational use is intended to occur outside of the Subdivision.

- 4.18 Antennas. Except as specified herein, antennas, satellite dishes, or other devices for the transmission or reception of television, radio or electric signals or any other form of electromagnetic radiation shall not be erected on the front yard of any building Site. Notwithstanding the above, a television antenna may be attached to the side of a dwelling, if using a fireplace chimney for support; satellite dishes exceeding 18 inches in diameter shall be painted an earth tone color and shall be concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee; and satellite or digital antenna dishes of 18 inches in diameter or less may be attached to any part (front, back, or side) of a dwelling.
- 4.19 Storage Tanks. Any tank used in connection with any dwelling (e.g. for storage of gas, oil or water) and any type of refrigeration or heating apparatus must comply with State and Federal law and be located under ground or concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee.
- 4.20 House Numbers and Mailboxes. Each dwelling shall have a street number discreetly placed at or near the street entrance to the Building Site. Mailboxes installed along the roads shall be of wood construction with a wood post in order to achieve a uniform appearance. Mailboxes shall be paid for by the Owner.
- 4.21 Fishery Management. The Master Association shall establish fishery management procedures (including, but not limited to, stocking and harvesting procedures and fishing rules) as needed to protect the health and welfare of the fish habitat. In establishing fishery management procedures, the Association will endeavor to comply, where applicable, with the rules and regulations as established from time to time by Idaho Fish and Game. Owners and their guests shall be required to comply with the most current fishing rules published by the Association.
- 4.22 Water Quality. The Master Association shall have the authority to adopt rules and regulations to ensure and to protect the natural beauty and water quality of the Payette River, creeks, springs and ponds within the Subdivision.
- 4.23 Maintenance of Dams, Water Conveyance Systems and Water Quality. The Master Association shall the authority to adopt rules and regulations to ensure and maintain the safety and function of the diversion dams that divert water in the creeks, springs and ponds, the water conveyance systems leading into and out of any Blackhawk Ranch Phase, and the natural beauty and water quality of any Subdivision springs, ponds and creeks.
- 4.24 General Restrictions Applicable to Common Areas and Common Facilities.
- 4.24.1 The Common Areas and Common Facilities shall be under ownership and control of the Declarant until the Declarant creates and deeds over the said Common Areas and Common Facilities. Declarant retains the right to create and deed over Common Areas and Common Facilities as it deems appropriate, but Declarant must deed all Common Areas and Common Facilities to the Master Association as of the date Declarant owns no more than five percent (5%) of the Building Sites then within the Subdivision.

4.24.2 Subject to the Master Association Rules, the following persons shall have the exclusive right of use of all Common Areas and Common Facilities:

4.24.2.1 Members of the Master Association (Owners), their immediate families, guests and the tenants of such members.

4.24.2.2 Declarant, its invitees, guests, tenants, employees and agents, and its successors and assigns, while Declarant, its successor or assigns, are engaged in the development and/or sale of property within the Subdivision.

4.24.4.3 Such other persons or entities as the Master Association shall from time to time grant the right of use.

4.24.3 The use of Common Areas and Common Facilities shall at all times be subject to the rules, regulations and user charges, if any, prescribed by the Declarant from time to time (prior to the deeding of such Common Areas and Common Facilities to the Association) and thereafter, as prescribed by the Master Association from time to time.

4.24.4 The use of said Common Areas and Common Facilities shall be subject to such easements and reservations of rights of Declarant hereinafter described and made of record.

4.24.5 Only the Declarant (prior to title to the Common Area vesting in the Master Association) or the Master Association (after vesting of title) shall be permitted to engage in construction, excavation or other work which in any way alters any Common Area or Common Facility. Construction, excavation or other work shall only be made in strict compliance with provisions of Section 4.25.

4.24.6 Any portion of a Common Area may be developed by constructing thereon one or more additional recreational facilities by the Master Association.

4.24.7 There shall be no use of a Common Area or Common Facility which injures, erodes, or scars the same or the vegetation thereon, or increases the cost of maintenance thereof, unless expressly permitted by the Master Association. In any event, there shall be no use of a Common Area or Common Facility, which causes unreasonable embarrassment, disturbance, or annoyance to Owners in the enjoyment of their Building Sites.

4.25 Common Areas: Construction and Alteration of Improvements, Etc.

4.25.1 After title to the Common Area or any portion of the Common Area is vested in the Master Association, no Improvement, excavation or work which in any way alters such Common Area from its state on the date such Common Area is so conveyed, shall be made or done except upon strict compliance with the following provisions of this Section.

4.25.2 With the exception of Declarant (prior to the time that the Master Association is vested with fee title to said Common Area), or a public utility or governmental agency (by right of easement), only the Master Association shall have the right to construct

Improvements upon, or make any excavation or fill upon, or change the natural or existing drainage of, or destroy or remove any tree, shrub, or other vegetation or plant any tree, shrub or other vegetation upon any Common Area.

4.25.3 If the Master Association, or any entity under right of easement, proposes to construct a new Improvement or alter the exterior of an existing Improvement upon a Common Area, or to make any excavation or fill upon, or to change the natural or existing drainage of surface waters, upon a Common Area, it shall not do so until a permit has been obtained from the Architectural Control Committee. The Master Association, or entity proposing to do such work shall submit to the Architectural Control Committee for approval plans for such work in such form and containing such information as the Architectural Control Committee may require. The Architectural Control Committee shall approve the plans so submitted if the following conditions have been satisfied:

4.25.3.1 If the plans are to construct any new Improvement, including any alteration of the exterior of any existing Improvement, the Architectural Control Committee finds that such Improvement complies with these Covenants and Conditions; and

4.25.3.2 That such work if under right of easement, (i) is reasonably necessary for any utility installations serving any property within the Subdivision or any property to be annexed to the Subdivision, or any property for which an easement has been reserved or granted by Declarant or (ii) is desirable in order to provide or improve access to or to enhance the use and enjoyment of any such property; or (iii) is desirable to protect or preserve any property within the Subdivision; and

4.25.3.3 The Architectural Control Committee finds that the proposed work shall not materially prejudice the Subdivision.

4.25.4 Without approval of the Architectural Control Committee, the Master Association may:

4.25.4.1 Construct, reconstruct, replace or refinish any Improvement or portion thereof upon Common Areas in accordance with the plans for such Improvement as they existed upon the Common Area when it was conveyed to the Association;

4.25.4.2 Replace destroyed trees or other vegetation with native plants, and, to the extent that the Association deems necessary; plant other native trees, shrubs, ground cover and other native vegetation;

4.25.4.3 Take whatever measures that may be necessary to prevent or retard the shifting or sliding of earth; and

4.25.4.4 That such work does not violate Federal, State, and Local Government Agencies' Laws, Ordinances and Restrictions.

- 4.25.5 Without approval of the Architectural Control Committee, the Declarant may construct, reconstruct, replace or refinish any Improvement intended to be constructed on a Common Area, or any portion thereof, as a part of the development work of the Subdivision.
- 4.26 Mining/Oil Drilling. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon or in the Subdivision, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of the Subdivision or within five hundred (500) feet below the surface of the Subdivision. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted in the Subdivision.
- 4.27 Work in Progress. The Architectural Control Committee or its representative may inspect all grading and construction work while such work is in progress and give notice of non-compliance when it believes that the provisions of this Declaration have not been complied with, and such person(s) shall not be deemed guilty of trespass by reason of such entry. If no notice of non-compliance has been sent, then the Owner shall be deemed to be in compliance upon occupancy of the dwelling and related structure and other Improvements.
- 4.28 Machinery and Equipment. No commercial machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Building Site within the Subdivision except such machinery or equipment that is usual and customary in connection with the development, maintenance or construction of a residence, appurtenant structures, or other Improvements within the Subdivision.
- 4.29 Restriction on Further Subdivision. No Lot within the Subdivision shall be further subdivided or separated into smaller Lots or parcels by any Owner and no portion less than all of any such Lot shall be conveyed or transferred by any Owner. This provision shall not, in any way, limit Declarant from subdividing any portion of the Subdivision or Building Site owned by Declarant into multiple Lots or Building Sites. No portion of a Building Site but for the entire Building Site, together with the Improvements thereon, may be rented. The provisions of this Section shall not apply to the division of any Lot or Building Site between adjoining Lots or Building Sites.

Article 5: Architectural Control Committee

- 5.1 There is hereby established an Architectural Control Committee (the "Committee"), whose members shall be appointed or removed by Declarant except as provided in Section 5.3. This Committee shall consist of three voting members.
- 5.1.1 The initial members of the Architectural Control Committee are:

<u>Name</u>	<u>Address</u>
Larry B. Barnes	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701
James K. Ball	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701
John W. Moody	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701

- 5.1.2 Each of said persons shall hold office until such time as they have resigned, have been removed, or their successor has been appointed.
- 5.2 The right to appoint and remove members of the Committee shall be vested in the Board of Directors of the Master Association from and after the expiration of the eighteenth month following the date Declarant owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision, unless during such eighteen (18) month period, Declarant's percentage of ownership is increased to more than five percent (5%) of the Building Sites collectively within the Subdivision by reason of the annexation of property to the Subdivision pursuant to Article 9 Section 9.4, in which event said eighteen (18) month period will not start to run until Declarant again owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision. Upon the right to appoint and remove members of the Committee being vested in the Board of Directors of the Master Association, the appointment and removal of members of the Committee shall be made by the Board of Directors of the Master Association in accordance with the By-Laws of the Master Association.
- 5.3 The Architectural Control Committee shall, in accordance with the procedures set forth in Article 4 hereof, have the responsibility to interpret the Covenants and Conditions relating to the construction plans and plans for Improvements of the Building Sites, pursue approvals and certificates of compliance with the Covenants and Conditions and inspect and enforce the Covenants and Conditions. In addition, the Committee, when appointed solely by Declarant, shall have the right from time to time to amend any of the Covenants and Conditions set forth in Article 4, upon a two-thirds majority vote of its members, but no amendment to the Covenants and Conditions shall be applied retroactively to affect plans and specifications (as that term is defined in Section 5.2.4 hereof) previously approved by the Committee, or Improvements constructed or being constructed pursuant thereto.
- 5.4 No Improvements shall be constructed, erected, placed, altered, maintained or permitted on any Building Site until the design and construction plans, specifications, Site plan and

landscaping plan, and time schedule for completion of construction and landscaping (collectively hereinafter referred to as "plans and specifications"), in manner and form satisfactory to the Committee, have been submitted to and approved by the Committee. Such plans and specifications shall be submitted in writing over the signature of the Owner or his authorized agent.

- 5.5 Proposed plans and specifications must be submitted to the Architectural Control Committee along with a non-refundable fee of \$100.00. Plans and specifications must be prepared or approved by a State licensed architect or, if not prepared by a State licensed architect, the plans and specifications must be approved by the Valley County Building Department prior to submission to the Architectural Control Committee. The initial sketch or concept drawing indicating floor plan, elevations, site and plot plan indicating all buildings, driveways, and attached fencing if required, should be approved by the Architectural Control Committee before Owners are committed to a large investment for detailed architectural drawings.
- 5.6 Approval shall be based, among other things, on the Covenants and Conditions, the adequacy of Building Site dimensions, conformity and harmony of external design with neighboring structures, effect of location and use of Improvements on neighboring Building Sites, operations and uses; relation to topography, grade, finished ground elevation and landscaping of the Building Site being improved to that of neighboring Building Sites; proper facing of main elevation with respect to nearby streets; and conformity of the plans and specifications to the purpose and general plan and intent of these Covenants and Conditions. The Committee shall not arbitrarily or unreasonably withhold its approval.
- 5.7 If the Committee fails either to approve or to disapprove such plans and specifications (including resubmission of disapproved plans and specifications which have been revised) within forty-five (45) days after the same have been submitted to it (provided that all required information has been submitted), it shall conclusively be presumed that said plans and specifications have been approved subject to this Declaration as from time to time amended. If within said initial forty-five (45) day period, Declarant gives written notice of the fact that an additional forty-five (45) day period is required for examination and review of such plans and specifications, there shall be no presumption that the same are approved until the expiration of the additional forty-five (45) day period of time as set forth in said notice. The Committee shall promptly notify the Owner in writing upon receipt of all required plans and specifications and the aforesaid initial forty-five (45) day time period shall commence on the date of such notification.
- 5.8 Neither the Committee, its individual members, nor Declarant nor their respective heirs, successors or assigns shall be liable in damages to any Owner submitting plans and specifications for approval, nor to any other Owner or Occupant of the Property affected by these Covenants, 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 any such plans and specifications. Every person who submits plans and specifications to the Committee

for approval agrees, by submission of such plans and specifications, and every Owner or Occupant of any Building Site agrees, by acquiring title thereto or an interest therein, that he will not bring any action or suit against the Committee, its individual members, or Declarant to recover any alleged damages related to his application for approval of plans and specifications.

Article 6: Master Property Owner's Association

- 6.1 Organization. The Master Association shall be initially organized by Declarant as an Idaho non-profit corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charge with the duties and invested with the powers prescribed by law and set forth herein. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration. Declarant may, in its discretion, grant to the Master Association a revocable, non-exclusive license to use the name "Blackhawk Ranch." Each Owner shall abide by and benefit from the provisions, covenants, conditions and restrictions contained herein. Declarant shall establish the Master Association not later than eighteen months following the date on which the Declarant's ownership of Building Sites collectively then within the Subdivision as a whole is not more than five percent (5%). The non-profit corporation shall be designated the "Blackhawk Ranch Master Property Owners' Association, Inc." (or some other similar entity name) and is generally referred to herein as the "Master Association".
- 6.2 Release of Control over Architectural Committee. Unless the Declarant does so earlier, the Declarant shall release control of the Architectural Control Committee and ownership of the Subdivision Common Areas and Common Facilities to the Master Association no later than eighteen (18) months following the date on which Declarant owns no more than five percent (5%) of the Building Sites collectively within the Subdivision. Upon transfer of control of the Architectural Control Committee from the Declarant to the Master Association, the Master Association shall then begin to exercise the power and authority granted by these Covenants and Conditions and according to the Master Association's ByLaws and Articles of Incorporation.
- 6.3 Membership. Each Owner by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Master Association, and no Owner, except Declarant, shall have more than one membership in the Master Association. Memberships in the Master Association shall be appurtenant to the applicable Phase, or Building Lot or other portion of the Property owned by such Owner. The memberships in the Master Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Master Association. If more than one person owns the Building Site and its appurtenant membership, all of said persons shall be deemed to hold one membership and the membership shall be in the name of one designated individual. With respect to each Building Site, the Board of Directors (the "Board") shall at all times have the power to limit the number of persons (other than immediate family of the designated Member) who

shall have the right to use the Common Areas and Common Facilities under any one membership. The rights, duties, privileges and obligations of a member shall be in accordance with these Covenants and Conditions, the Articles and By-Laws.

6.3.1 In the event of the dissolution of the Master Association, upon the formation of an unincorporated association, each member of the Master Association shall be a member of the unincorporated association and shall have an underlying beneficial interest in all of the property transferred to or for the benefit of said unincorporated association; provided, however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such member acquiring any interest in said property, or any part thereof, seek any such judicial partition.

6.4 Voting. The Master Association will have three (3) classes of memberships:

6.4.1 Class A Members. Class A Members shall be the Delegates of Local Associations who's Members are designated in its Supplemental Declaration as Members of the Master Association and a Local Association. Each Delegate shall be entitled to one (1) vote for each single-family Building Lot the Delegate represents.

6.4.2 Class B Member. Declarant shall be the sole Class B Member and shall be entitled to three (3) votes for each Class A Member of the Master Association. For example, if there are two (2) Class A Members each representing ten (10) Class C Members as defined below, then Declarant as the sole Class B Member shall be entitled to three (3) times the Class A votes, i.e., 60 votes. The Class B Member shall cease to be a voting Member in the Master Association when the Declarant's ownership of Building Sites within the Subdivision is no more than five percent (5%) of the total membership.

6.4.3 Class C Members. The Class C Members shall be all Owners, with the exception of the Declarant and the Delegates. Class C Members shall not be entitled to vote in the Master Association. However, Building Sites owned by such Class C Members shall be counted for purposes of determining the number of votes of the Class A Members as specified in Subsection 6.4.1. Each Building Site shall be entitled to one vote. Every Member entitled to vote at any election of the Board may cumulate his/her votes and give any candidate a number of votes equal to the number of votes, which the Member has, multiplied by the number of directors to be elected. The right to vote may not be severed from the Building Site to which it relates and any sale, transfer or conveyance of fee title of the Building Site to a new Owner, shall operate to transfer the appurtenant vote or votes to the grantee.

6.5 All voting power in the Master Association shall be exercised by Delegates selected, as provided for in Article 6, and by Declarant, and no member shall be entitled to cast his or her own vote.

6.6 The vote for each Building Lot shall be exercised as the Owners thereof among themselves determine. 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 conclusive for all

purposes that such Owner was acting with authority and consent of all joint Owners of the Building Site(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 proposed owner, subject to any assignment of the right to vote to a lessee, mortgagee, beneficiary or contract purchaser provided herein.

- 6.7 Board of Directors and Officers. The affairs of the Master Association shall be conducted and managed by the 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 shall be comprised of the Master Association Delegates, including Declarant's Delegate. For purposes of voting at Board meetings, each Master Association Delegate, including Declarant's Delegate, when acting in their capacity as Board members, shall have the same number of votes as enunciated in Section 6.4.
- 6.8 Interim Master Association. Prior to the organization and establishment of the Master Association, the Declarant shall establish a non-profit organization. The non-profit organization will collect "Maintenance Fees" until control over the Architectural Control Committee is transferred to the Master Association. The purpose of the Maintenance Fees shall be the restoration, repair, maintenance and upkeep of the roadways, walk ways, walking paths, waterways, waterway banks and channels, planting areas within roadways, Common Areas, and Common Facilities and to provide security and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners. Said Maintenance Fees shall be assessed equally against all Building Sites, to include Building Sites owned by Declarant, and shall be assessed against the Building Sites and collected as provided herein as if the Maintenance Fees were being assessed and collected by the Master Association. At the time Declarant transfers control to the Master Association, the Maintenance Fee funds then held by the Interim Master Association shall also be transferred to the Master Association and the Master Association will then assume the Interim Master Association's duty to oversee the maintenance of the Subdivision and the collection of Maintenance Fees. The Master Association will create and maintain a Maintenance Fee reserve fund in an amount, which shall always be sufficient for maintenance of the Master Association property and operations for at least a one-year period.
- 6.9 In the event that the Master Association as a corporate entity is dissolved, a non-profit, unincorporated Master Association shall forthwith and without further action or notice, be formed and succeed to all the assets, rights, privileges, duties, and obligations of the Master Association.
- 6.10 Purpose. The purpose of the Master Association shall be the restoration, repair, maintenance and upkeep of the roadways, walk ways, walking paths, Waterways, waterway

banks and channels, planting areas within roadways, Common Areas, and Common Facilities and to provide security and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners.

6.11 Duties of the Master Association.

6.11.1 The Master Association shall accept as members all persons described in Section 6.2 above.

6.11.2 Immediately prior to any dissolution of the Master Association as a corporate entity, the Master Association shall convey all property vested in it to an independent corporate trustee to hold same in trust for the unincorporated Master Association to be formed for the benefit of the Members.

6.11.3 The Master Association shall maintain and operate any Common Areas and Common Facilities, which it owns for the benefit of those, entitled to use such facilities pursuant to these Covenants and Conditions.

6.11.4 The Master Association shall, at the expense of the Owner, provide for the maintenance of any Building Site or Improvement thereon which is not maintained by the Owner in accordance with the requirements of these Covenants and Conditions.

6.11.5 The Master Association shall pay all taxes and assessments levied upon any Master Association property.

6.11.6 The Master Association shall contract for or otherwise provide such services as required by majority vote of the membership.

6.11.7 At a minimum, the Master Association shall obtain and maintain in force the following policies of insurance:

6.11.7.1 Fire and extended coverage insurance on all property owned by the Master Association from time to time, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement value (exclusive of the cost of excavation, foundations and footings), of such improvements as determined by the Master Association.

6.11.7.2 Bodily injury liability insurance with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000.00) per occurrence insuring against any and all liability with respect to its operations; and

6.11.7.3 Property damage liability insurance with a deductible of not more than One Thousand Five Hundred Dollars (\$1,500.00) and a limit of not less than Five Hundred Thousand Dollars (\$500,000.00) per accident.

6.11.7.4 Full coverage director's and officer's liability insurance with a minimum coverage limit of Two Hundred Fifty Thousand Dollars (\$250,000).

6.11.7.5 The above policies of liability insurance shall cover as insureds the Declarant, the Master Association, the Board, the Architectural Control Committee, the Owners of all Building Sites in the Subdivision, and their agents, representatives, members and employees. Each policy of insurance obtained by the Master Association shall expressly waive any and all rights of subrogation against Declarant, its agents, representatives, and employees, and any Owner.

6.11.8 The Master Association shall accept and act upon applications submitted to it for the development of additional Common Facilities.

6.11.9 The Master Association shall from time to time make, establish, promulgate, amend and repeal Master Association rules and establish user charges for Common Facilities.

6.11.10 After the control of the Architectural Control Committee is transferred from the Declarant to the Board of Directors of the Master Association, the Master Association shall appoint and remove members of the Architectural Control Committee and insure that at all reasonable times there is a duly constituted and appointed Architectural Control Committee.

6.11.11 The Master Association shall levy assessments upon all members of the Master Association and take such action as the Board deems to be required for the collection of assessments and user charges. With regard to the levy and collection of assessments for the restoration, repair, and maintenance of roadways, traffic control, and planting areas within roadways, all such levy assessments made by the Master Association shall be made on a prorate basis so that the Building Site Owners within each Phase of the Subdivision are assessed only for those costs and expenses incurred to restore, repair, maintain or plant planting area in roadways located within the respective Phase(s) of the Subdivision.

6.11.12 The Master Association shall take such actions, whether or not expressly authorized by these Covenants and Conditions, as may reasonably be necessary to implement and enforce these Covenants and Conditions, the Master Association rules and the Architectural Control Committee rules.

6.12 Powers and Authority of the Master Association.

6.12.1 The Master Association shall have all of the powers set forth in its Articles of Incorporation, including the power to levy and collect assessments from Members hereinafter provided, together with its general powers as a non-profit corporation (subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws and in these Covenants and Conditions) to do all lawful things which may be required to be done by the Master Association under these Covenants and Conditions and to do all acts which may be necessary for or incidental to the exercise of any express power of the Master Association or for the peace, health, comfort, safety and/or general welfare of the members of the Master Association. Without limiting the generality of the foregoing:

6.12.2 The Master Association shall have the power and authority at any time without liability to any Owner, to enter upon any Building Site for the purpose of enforcing these Covenants and Conditions, or for the purpose of maintaining any such Building Site, and any Improvements thereon, if for any reason whatsoever the Owner thereof fails to maintain such Building Site or any structure thereon as required under these Covenants and Conditions, and for the purpose of removing there from any improvement constructed or maintained on any Building Site contrary to the provisions of these Covenants and Conditions. The Master Association shall have the power to commence and maintain actions to restrain and enjoin any breach or threatened breach of these Covenants and Conditions.

6.12.3 The Master Association, in fulfilling any of its duties, under these Covenants and Conditions, shall have the power and authority to:

6.12.3.1 Contract and pay for, or otherwise provide for, the maintenance, restoration and repair of all property which it owns from time to time, or leases from time to time when said lease provides that the Master Association shall be obligated to so maintain, restore and repair such leased property;

6.12.3.2 Obtain, maintain, and pay for such insurance policies or bonds, as the Master Association shall deem to be appropriate for the protection or benefit of the Subdivision, the Master Association, the members of the Board, of the Architectural Control Committee, or of the Master Association, including, but without limitation, war risk insurance, boiler insurance, workmen's compensation insurance, malicious mischief insurance, automobile non-ownership insurance, and performance and fidelity bonds;

6.12.3.3 Contract and pay for, or otherwise provide for, such utility services to property which it leases or owns, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services, as may from time to time be required;

6.12.3.4 Contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants and such other professional and non-professional services as the Master Association deems necessary;

6.12.3.5 Contract and pay for, or otherwise provide for, fire, police, and such other protection services as the Master Association shall from time to time deem necessary for the benefit of the Subdivision, any property located within the Subdivision, and Owners;

6.12.3.6 Contract and pay for or otherwise provide for, such materials, supplies, furniture, equipment, and labor, as and to the extent the Master Association deems necessary; and

6.12.3.7 Pay and discharge any and all liens from time to time placed or imposed upon property of the Master Association on account of any work done or performed by the Master Association in fulfillment of any of its duties;

6.12.3.8 Employ the services of a manager to manage the affairs of the Master Association and, to the extent not inconsistent with the laws of the State of Idaho and upon such conditions as are otherwise deemed advisable by the Master Association, the Master Association may delegate to the manager any of its powers under these Covenants and Conditions;

6.12.3.9 Contract for the operational management of any or all of the Common Facilities as it shall from time to time see fit.

6.12.3.10 Pay, compromise or contest any and all taxes and assessments levied against all or part of any property belonging to the Master Association;

6.12.3.11 Subject to the provisions of these Covenants and Conditions adopt, amend and repeal rules and regulations to be known as "Associated Rules" governing, among other things:

6.12.3.11.1 The use of the Common Areas and Common Facilities;

6.12.3.11.2 The use of Master Association property;

6.12.3.11.3 The collection and disposal of refuse;

6.12.3.11.4 The burning of open fires;

6.12.3.11.5 The keeping and maintenance of animals within the Subdivision; and

6.12.3.11.6 Other activities in the Subdivision which would adversely effect the peace and enjoyment of residents in the Subdivision.

6.12.3.12 Grant concessions and/or leases and approve subleases, with respect to any of the Common Facilities;

6.12.3.13 Establish and collect reasonable user charges for any Common Area or Common Facility which it owns.

6.12.3.14 Establish and collect reasonable assessments to cover the expenses and obligations of the Master Association and to charge interest, after the due date for such assessments, at a rate of up to the maximum rate provided by law or 18% per annum (whichever is less), and to seek enforcement of the duty to pay such assessments as set forth in Section 6.13.

6.13 Lien for Assessments.

6.13.1 If any Building Site Owner shall fail or refuse to make any such payment of dues and assessment when due, the amount thereof shall constitute a lien on the Building Site as described in the deed of conveyance to the Owner. Upon the recording of notice

thereof by the Master Association in the office of the Valley County Recorder, such lien shall attach to such Owner's interest superior to all other liens and encumbrances, recorded or unrecorded, except only (a) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this state and any other state or federal taxes which by law are a lien on the interest of such Building Site Owner prior to pre-existing recorded encumbrances thereon, and (b) all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance.

6.13.2 The Master Association shall send a notice, postage prepaid, to any such encumbrance holder whose encumbrance was recorded prior to the time of recording the notice of lien provided for in this Section, at the address shown in the recorded encumbrance; provided that if such encumbrance holder has furnished the Master Association with another address, then such other address shall be used, and said Master Association shall not foreclose its said lien until at least thirty (30) days after the date of depositing such notice in the United States mails, postage prepaid, to the address of such encumbrance.

6.13.3 Any encumbrance holder holding a lien on a Building Site may pay any delinquent Assessments payable with respect to such Building Site and treat said payment as part of its encumbrance against the Building Site.

6.13.4 The lien provided for in this Section shall be in favor of the Master Association and shall be for the benefit of all other Building Site Owners, and may be foreclosed by an action brought in the name of the Master Association in a like manner as a beneficiary under a deed of trust. In any such foreclosure the Owner shall be required to pay the amount of the Assessment and accrued interest, the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien, and all reasonable attorney fees. The Owners shall also be required to pay the Master Association all assessments for the Building Site during the period of foreclosure, and the Master Association shall be entitled to a Receiver to collect the same. The Master Association shall have the power to bid in the total amount owed under this Section 6.13.4 at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its rights to such lien as may be necessary to expedient to an insurance company which will continue to give total coverage in spite of nonpayment of such defaulting Owner's portion of the premium.

6.14 The Master Association and its officers and directors, shall not be liable or accountable in damages for any action taken pursuant to the provisions of this Declaration.

6.15 Certificate of Assessments. Upon payment of a reasonable fee, as established by the Master Association and upon the written request of any Owner, mortgagee, prospective grantee or prospective mortgagee, of a Building Site, the Master Association shall to be issued a written certificate setting forth the amount of unpaid common expenses, if any, with respect to the subject Building Site; the amount of the current Assessment and the date upon which such Assessment becomes due; and credit for advanced payments or for

prepaid items (including, but not limited to, insurance premiums). Such certificate shall be conclusive upon the Master Association in favor of all persons who rely thereon in good faith. Unless such request for a certificate of Assessments be complied with within ten (10) days of the receipt of the request, then (a) in the case of a request by a mortgagee or prospective mortgagee, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien of said mortgagee or prospective mortgagee, or (b) in the case of a request by a prospective grantee, he shall not be liable for, nor shall the Building Site conveyed be subject to a lien for, any unpaid assessments or common expenses which became due prior to the date of making such request. No failure of the Master Association to comply with a request for a certificate shall relieve the Owner from personal liability for Assessments or constitute a waiver of lien rights against the subject Building Site. The provisions contained in this Section shall not apply upon the initial transfer of the Building Site by Declarant.

6.16 Meetings of Master Association.

6.16.1 Board of Directors. At least during every two (2) month period the Board of Directors shall meet to conduct such business as may come before the Board.

6.16.2 Annual Meeting of Members. There shall be an annual meeting of the Members of the Master Association as provided in the Bylaws of the Master Association. The first meeting of the Members of the Master Association, whether annual or special, shall be held within the first six (6) months following the close of the first sale of a Building Lot within such Subdivision. Such meeting shall be held on the Subdivision or at such other convenient location in or near the Subdivision as may be designated in the notice of such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member within the Master Association no later than ten (10) days prior to the meeting by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Members having one-quarter (1/4) of the total voting power within the Master Association.

6.16.3 Special Meetings. A special meeting of the Members of the Master Association may be called at any reasonable time and place by written notice by the Delegates to the Master Association representing the Members in the Master Association, or by the Members in the Master Association having one-quarter (1/4) of the total votes within the Master Association, and delivered to all other Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken.

6.16.4 Quorum. The presence at any meeting, in person or by written proxy, of the Members entitled to vote at least twenty-five percent (25%) of the total votes within the Master Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty 30 days from the time the original meeting was called. The Members

present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.

Article 7: Local Associations

- 7.1 Creation by Declarant. Declarant may create Local Associations as profit or non-profit corporations under the provisions of the Idaho Code relating to general non-profit corporations, or Grantor may create such a Local Association as any incorporated entity which Declarant deems appropriate. Declarant may in its discretion, create a Local Association by means of a Supplemental Declaration, or create such Association by means of separate instruments, and may in its discretion grant to such Local Associations a revocable, non-exclusive license to use the name "Blackhawk Ranch".
- 7.2 Members of Local Associations. Where a Local Association is created, the Members thereof shall be all of the Owners in the respective Phase(s) designated in the applicable Supplemental Declaration. Membership may not be transferred only as specified in Section 6.2 for the Master Association. Members of a Local Association shall be Members of the Master Association.
- 7.3 Voting in Local Associations. Each Local Association shall have two (2) classes of memberships:
- 7.3.1 Class A Members. Class A Members shall be the Owners of Building Sites within a Phase whose Owners are Members in the Local Association, excluding the Declarant, who shall have one (1) vote for each single-family detached Building Lot owned by said Members.
- 7.3.2 Class B Members. Declarant shall be the sole Class B Member, and shall be entitled to three (3) votes for each Class A Member. The Class B Member shall cease to be a voting Member in the Local Association when the Declarant's ownership of Building Sites within the applicable Phase is no more than five percent (5%).
- 7.4 Delegate to Master Association. Each Local Association representing a Phase shall in writing designate one (1) delegate to the Master Association. The Chairman of any meeting at which a Delegate is elected shall certify in writing to the Master Association Board the name of the Delegate and the Local Association the Delegate represents. A Delegate may be removed without cause by a majority of the votes, in person or by proxy, of the Members in the Local Association. Each Delegate will be entitled to cast one (1) vote for each single-family detached Building Lot owned by Members, including Declarant, of the Local Association which the Delegate represents. Only members of the Local Association for which the Delegates are selected shall be eligible for election as Delegates to represent said Local Association. Upon termination of any Delegate's membership in the Local Association for which he or she is selected, such Delegate's term of office shall immediately terminate, and a new Delegate shall be appointed by the Board to serve until the next annual or special meeting at which a new Delegate can be elected. Each Delegate of the applicable Local Association shall cast the votes, which he or she

represents in such a manner as he or she shall deem appropriate acting on behalf of all of the Members in the Local Association represented by such Delegate. However, as to a Special Assessment or increase in Regular Assessment, or in the event at least fifty-one percent (51%) of the voting memberships in any Local Association shall determine at any duly constituted meeting of the Members to instruct their Delegate as to the manner in which he or she is to vote on any issue to be voted on by the Delegates, then the Delegate representing such Local Association shall cast all of the voting power in such Local Association in the same proportion, as nearly as possible without counting fractional votes, as the membership shall have voted "for" and "against" such issue. When a Delegate is voting in his or her own discretion without instruction from his/her Local Association, then such Delegate shall cast all of the votes which he/she represents as a unit and may not apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be conclusively presumed for all purposes that any Delegate casting votes on behalf of the Members of a Local Association will have acted with the authority and consent of all such Members. All agreements and determinations lawfully made by the Master Association and in accordance with the voting procedure established herein, and the Bylaws, shall be deemed to be binding on all Members, Owners, Declarant, and their respective heirs, successors and assigns.

- 7.5 Notwithstanding any of the foregoing, the Declarant, as the Class B Member of the Master Association and all Local Associations shall instruct the Declarant's Delegate to cast the Declarant's votes, as Declarant in its sole and absolute discretion, shall determine.
- 7.6 Selection of Delegate(s) for Phases. In the event that there shall not be created a Local Association for the operation of a Phase, the Delegate representing said Phase at the Master Association shall be elected by Owners (including Declarant) holding a majority of the voting power in the Phase. Said Phase and Delegate shall be treated the same as a Local Association and its corresponding Delegate as provided for in this Master Declaration.
- 7.7 Annual Meetings of Local Associations. There shall be an annual meeting of the Members of each Local Association at least ten (10) days but no more than sixty (60) days prior to every annual meeting of the Master Association. The first meeting of the Members in each Local Association, whether annual or special, shall be held within the first six (6) months following the close of the first sale of a Building Lot within such Phase; provided however, that the first meeting of any Local Association must occur prior to the first annual meeting of the Master Association. At the first meeting of the Members in such Local Association and at each subsequent annual meeting, such Members shall elect the Delegates to represent them. If a Local Association does not hold its annual meeting prior to the Master Association annual meeting and does not elect its Delegates, said Local Association shall not be entitled to vote at the Master Association annual meeting. Such Delegates shall continue to be Delegates for one (1) year or until their successors are elected, whichever is later, unless such Delegates are removed by a vote or written consent of a majority of the voting power in such Local Association. Such meeting shall be held within the Phase or at such other convenient location in or near the Phase as may be designated in the notice of

such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member within the Local Association no later than ten (10) days prior to the meeting by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Members having one-quarter (1/4) of the total voting power within such Local Association. A special meeting of the Members in any Local Association may be called at any reasonable time and place by written notice by the Delegates to the Master Association representing the Members in such Local Association, or by the Members in the Local Association having one-quarter (1/4) of the total votes within such Local Association or Phase, and delivered to all other Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken. The presence at any meeting, in person or by written proxy, of the Members entitled to vote at least twenty-five percent (25%) of the total votes within such Local Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty 30 days from the time the original meeting was called. The Members present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.

- 7.8 Management, Power, Duties and Restriction. Each Local Association shall be managed by a Board of Directors and officers, and shall have the same powers, duties and restrictions with respect to its Members or the property owned, managed or maintained by it contained in Section 6.12, including, without limitation, requiring Assessments, adopting rules and regulations, granting easements, licenses and rights-of-way, payment of expenses, taxes, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements, except as modified herein or as modified by a Supplemental Declaration. The Board may delegate all powers and duties, which it deems appropriate for the benefit of the Local Association. Local Associations shall assess all Assessments through the Master Association. Each Such Local Association shall certify to the Master Association the amount of such Assessments and charges for collection. The Local Association Board, Members, committee, officers, Declarant, or the manager, if any, shall be free of personal liability as to the Local Association in the same manner as described in Section 6.13.5 for the Master Association.

Article 8: Miscellaneous

- 8.1 A Violation of Covenants. Whenever there shall have been built on any Building Site a structure which is in violation of these Covenants and Conditions, such persons as are authorized by the Board of the Master Association shall have the right to enter upon the Building Site where the violation exists and to summarily abate and remove, at the expense of the Owners thereof, any erection, thing, or condition that may exist thereon contrary to the intent and meaning of the provisions hereof. The Association, its Board, agents, and assigns, shall not be deemed guilty of any manner of trespass for such entry, abatement, or

removal. The costs and expenses of such entry, abatement, and removal shall become a lien upon the Building Site upon the recording by the Master Association of a sworn statement with respect thereto in the Valley County Recorder's Office. In addition, if any person shall violate or threaten to violate any provisions of this Declaration, it shall be lawful for any Owner of property in the Subdivision or for the Association to initiate proceedings at law or in equity to enforce the provisions of this Declaration, to restrain the person violating or threatening to violate the terms of this Declaration, and to recover damages, actual and punitive, together with reasonable attorney's fees, for such violations.

- 8.2 Term. The Covenants and every provision hereof shall continue in full force and effect for a period of twenty-five (25) years from the date hereof, and shall thereafter be automatically renewed for successive ten (10) year periods unless and until terminated as provided in, Section 6.3 hereof.
- 8.3 Termination and Modification. To the extent set forth in Section 9.4, the Declarant may amend, modify or supplement this Declaration at any time during the term hereof. The Architectural Control Committee, was appointed, may amend the Covenants and Conditions hereof in accordance with Section 5.3. Otherwise, this Declaration and every provision hereof may only be terminated, extended, modified or amended, as to the whole of said Subdivision or any portion thereof, with the written consent of the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision; provided, however, that during the initial twenty-five (25) year term of these Covenants, no such termination, extension, modification or amendment shall be effective without the written approval of Declarant so long as the Declarant continues to own any ownership interest in Building Sites within the Subdivision. Such termination, extension, modification or amendment shall be immediately effective upon recording a proper instrument in writing, executed and acknowledged by such Owners (and/or by Declarant as provided herein) in the office of the Recorder of Valley County, Idaho.
- 8.4 Amendment. The Declarant may amend Article 2 to include additional land within the Subdivision covered by this Declaration so long as such land adjoins land contained within the Subdivision, and such land is owned by Declarant at the time of an amendment (for the purposes of this Section, land separated only by roads and waterways shall be deemed to "adjoin"). An amendment shall be effected upon Declarant recording a declaration describing the land to be included, setting forth such additional limitations, restrictions, covenants and conditions as are applicable to such land, and declaring that the land is to be held, sold, conveyed, encumbered, leased, occupied and improved subject to this Declaration, as amended.
- 8.5 Governmental Regulations and Laws. To the extent that the applicable county or other governmental regulations, rules, or codes and ordinances or laws are more restrictive in their allowable land utilization than these Covenants and Conditions, they shall supersede these Covenants and Conditions and govern at all times.
- 8.6 Assignments of Declarant's Rights and Duties. Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant to any person or

entity which will assume any or all of the duties of Declarant hereunder, and upon any such person or entity evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder. The term "Declarant" as used herein includes all such assignees and their heirs, successors and assigns. If at any time Declarant ceases to exist and has not made such an assignment, a successor Declarant may be appointed by the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision upon compliance with the requirements of Section 9.3.

- 8.7 No Waiver. All of the covenants and conditions, restrictions and reservations contained in this Declaration shall be construed together, but if it shall at any time be held that any one of said Covenants and Conditions, or any part thereof, is invalid, or for any reason becomes unenforceable, no other covenants and conditions, restrictions and reservations or any part thereof, shall be thereby affected or impaired.
- 8.8 Owner's Liability Subsequent to Sale. Upon the sale of Building Site, the Owner so selling shall not have any further liability for the obligations thereon which accrue against the Building Site sold after the date of the conveyance; provided, however, that nothing herein shall be construed so as to relieve an Owner of any Building Site from any liabilities or obligations incurred pursuant to these Covenants and Conditions prior to such sale. Furthermore, any such sale shall not enlarge or extend the time for commencement of construction upon a Building Site.
- 8.9 Personal Liability. No member of the Board or any committee of the Association or any officer of the Association, or the manager, if any, or member of the Architectural Control Committee or of Declarant, or any agent of Declarant, 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 of any act, omission, error or negligence of any such person or entity in the administration or performance of duties imposed by this Declaration (or any amendment hereof), provided that such person or entity has, upon the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.
- 8.10 Benefits and Burdens. The terms and provisions contained in this Declaration shall bind and inure to the benefit of the Declarant, the Owners and Occupants of all Building Sites located within the Subdivision, and their respective heirs, successors, personal representatives and assigns.
- 8.11 Notice. Unless the proposed recipient has provided notice of another address for mailing, all notices shall be in writing and hand delivered or mailed, if mailed, the notice shall be sent postage prepaid and shall be directed as follows: (1) to the address of the Building Site if improved, (2) if the Building Site is not improved to the address set forth in the purchase contract or purchase contract application, or (3) to the last known address of the

Owner. If intended for Declarant, to the address previously set forth herein. If to the Association to the designated address of the Association or the registered agent of the Association.

8.12 Context of Terms. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

8.13 Mortgage. The term "mortgage" as used herein shall include deeds of trust and trust deeds.

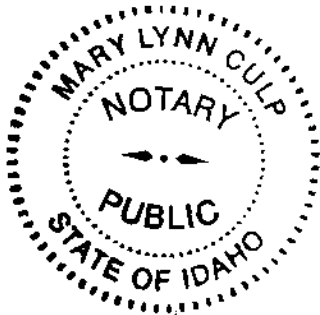
IN WITNESS WHEREOF, Declarant has executed this instrument this 25 day of 25, 2001.

L. B. INDUSTRIES, INC.

James K. Ball
By: James K. Ball
Its Vice President

State of IDAHO)
) ss.
County of Ada)

On this 26th day of July, 2001, before me, a Notary Public, in and for said State, personally appeared James K. Ball, known to be the Vice President of L. B. Industries, Inc., the corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.



Mary Lynn Culp
NOTARY PUBLIC
Residing at: Ada County
My Commission Expires: 11/03/06

EXHIBIT "A"

LEGAL DESCRIPTION

Lot 11 in SW $\frac{1}{4}$; Section 30, Township 18 North, Range 3 East, B.M., Valley County, Idaho.

Lot 1; SW $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; excluding property in above described areas west of county road, Section 25, Township 18 N., Range 2 East, B.M., Valley County, Idaho.

A parcel of alluvion land, but not limited to said land, which is located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, Township 18 North, Range 2 East and in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 31, Township 18 North, Range 3 East, B.M., Valley County, Idaho, said land lies South of the South Section lines of said Section 25, Township 18 North, Range 2 East and said Section 31, Township 18 North, Range 3 East, but North of the high water mark of the North fork of the Payette River.

Lot 2; Lot 3; Lot 6; Lot 7; N $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$; excluding that property lying west of county road; Section 36, Township 18 N., Range 2 E., B.M., Valley County, Idaho.

Lot 2; Lot 3; Lot 4; Lot 5; Lot 8; Lot 9; S $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$; excluding that property lying west of county road; Section 1, Township 17 N., Range 2 E., B.M., Valley County, Idaho.

Lot 2; Lot 3; Lot 6; NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; excluding that property lying west of county road Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho;

SAVE and EXCEPT an irregular shaped parcel of land located in the South $\frac{1}{2}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho, lying South of the following described 60 foot wide Non-exclusive Easement, but North of the existing fence line which runs East-West approximately along the North boundary line of the South $\frac{1}{2}$ of the Southwest $\frac{1}{4}$, Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho.

SUBJECT TO a 60 foot wide non-exclusive Easement located in the S $\frac{1}{2}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho; which lies 30 feet on either side of the following described center line;

Beginning at a point on a existing fence line which is located approximately at the NW corner of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho; thence North 30 feet along the East boundary line of the county road right-of-way the Real Point of Beginning: Thence East 800 feet parallel with the existing fence line to a point, which fence line runs East-West, thence North 60 East a distance of 500 feet to a point; thence East 350 feet to a point; thence South 45 East to a point on the existing fence line which runs East-West approximately along the North line of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho, which point is the end of the above described Easement.

BLACKHAWK RANCH MASTER

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Article 1: Recitals

- 1.1 Property Covered. The property potentially subject to this Master Declaration of Covenants, Conditions and Restrictions for Blackhawk Ranch is the property legally described in Article 2 hereof which property consists of approximately 1100 acres approved by Valley County for the development of up to 277 residential units ("Blackhawk Ranch"). Grantor (hereinafter "Declarant") intends to develop the Property in multiple development Phases, as defined below. Each Phase, and any property otherwise annexed into Blackhawk Ranch shall be subject to this Master Declaration through a Supplemental Declaration, and all property made subject to this Master Declaration shall be referred to as the "Property". Unless and until a Supplemental Declaration is filed with the Valley County Recorder's Office, no property located within Blackhawk Ranch or otherwise shall be subject to this Master Declaration. Each Owner, by accepting a deed to any portion of the Property, acknowledges and agrees that Grantor is under no obligation to subject any portion of Blackhawk Ranch to this Master Declaration.
- 1.2 Residential Development. Blackhawk is a residential development, which Declarant currently intends to develop in accordance with existing development approvals obtained by Declarant from Valley County, or any other development plan(s) for which Declarant may from time to time obtain approval from Valley County (the "Master Plan and Plat"). The Property will be developed for single-family residential homes, including, without limitation, single-family detached housing.
- 1.3 Purpose of Master Declaration. The purpose of this Master Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively "Covenants and Conditions") that will apply to the entire development and use of any and all portions of the Property. The Covenants and Conditions are designed to protect, enhance and preserve the value, amenities, desirability, and attractiveness of the Property; to ensure a well-integrated, high quality development; and to guarantee adequate maintenance of the Common Area, including any improvements located thereon in a cost effective and administratively efficient manner.

Article 2: Property Subject to this Declaration of Protective Covenants

L. B. Industries, Inc. ("Declarant"), an Idaho corporation having its principal place of business and mailing address located at P.O. Box 2797, 1401 Shoreline Drive, Boise, Idaho, 83701, is the Owner of all of that property within the subdivision named Blackhawk Ranch in Valley County, Idaho. The real property which is, and shall be conveyed, transformed, occupied, and sold subject to the covenants and conditions, restrictions, reservations and easements ("Covenants and Conditions") as set forth within the various clauses and covenants of this Declaration is located in the County of Valley, State of Idaho, and is more particularly described in Exhibit "A".

attached hereto and incorporated herein by reference. Declarant hereby declares that the Property, and each lot, parcel or portion thereof, is and/or shall be held, sold, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms and Conditions and Covenants, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms and Covenants and Conditions set forth herein shall run with the land constituting the Property, and with each estate therein, and shall be binding upon any Person having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; shall inure to the benefit of every lot, parcel or portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon the Declarant, Declarant'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 Declarant, any grantee or grantee's successor, any Owner or Owner's successors, or by the Master Association, or any Local Association. In the event any conflict between this Master Declaration and any other of the project documents, other than expressly unique covenants, conditions, restrictions and easements in Phases, this Master Declaration shall control.

Article 3: General Purposes and Definitions

- 3.1 The real property described in Article 1 hereof is subject to the covenants and conditions, restrictions, reservations, and easements hereby declared to ensure the best use and the most appropriate development and improvement of each Building Site thereof; to protect the Owners of Building Sites against such improper use of surrounding Building Sites as will depreciate the value of their property; to preserve, so far as practical, the natural beauty of such property; to prevent the construction of improper or unsuitable Improvements; to encourage and secure the erection of attractive dwellings thereon; and in general to create and keep the Subdivision, insofar as possible, desirable, attractive, beneficial, and suitable in architectural design, materials and appearance; to guard against fires and unnecessary interference with the natural beauty of the Subdivision and to provide adequately for the improvement of said property; all for the mutual benefit and protection of the Owners of Lots and Building Sites in the Subdivision.
- 3.2 Blackhawk Ranch Master Plan has been approved by Valley County Planning and Zoning.
- 3.3 As used herein the following words and terms shall have the following meanings.
 - 3.3.1 "Architectural Control Committee" shall mean that certain committee initially established by the Declarant (and later maintained by the Master Association) to review and approve construction plans and plans for improvement of the Building Sites within the Subdivision.
 - 3.3.2 "Articles" shall mean the Articles of Incorporation of an Association or other organization or charter documents of an Association.

3.3.3 "Assessments" shall mean those payments required of Owners who are Master Association Members or Local Association Members, including Regular, Special and Limited Assessments. The Master Association and/or any Local Association shall have the right to require assessments from their respective Members, however all Local Association Assessments shall be levied by and through the Master Association.

3.3.4 "Association" shall mean the Master Association and/or any Local Association; whichever is appropriate in the context.

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

3.3.6 "Blackhawk Ranch Master Property Owners' Association, Inc." (or other such similar name adopted to act as a master property owner's association covering Blackhawk Ranch; hereinafter such association may sometimes be referred to as the "Association") shall mean that certain property owner's association described in Article 6 hereinafter which shall be established at a later date by the Declarant of which every Owner of property within the Subdivision shall become a member as set forth in the Supplemental Declarations for each Phase of the Subdivision. The Declarant will create the Master Association at the time and according to the terms more completely provided herein. Prior to the creation of the Master Association by the Declarant, all rights granted to the Association by these Covenants and Conditions shall be reserved to and exercisable by Declarant.

3.3.7 "Building Site(s)" or "Sites" shall mean any contiguous plot of the Subdivision the size and dimensions of which shall be established by the legal description in the original conveyance from Declarant to the first fee Owner (other than Declarant) of said plot of the Subdivision. If two or more Lots, or portions of one or more Lots, as designated on the recorded Plat on any Phase thereof, are contiguous and described in such original conveyance from Declarant to the first fee Owner, if so elected by such first fee Owner, such Lots or parts thereof shall be treated as a single Building Site for purposes of the Covenants and Conditions herein contained.

3.3.8 "Common Areas" shall mean and include collectively all real property or Out Lots within the Subdivision which are designated to be owned or are owned by the Master Association, including (without limitation) any real property upon which Common Facilities are located or are intended to be located and any property designated and held by the Declarant for use as a Common Area and any property deeded by the Declarant to the Master Association for use as Common Area. The term "Common Area" shall not include any real property owned by or reserved for governmental entities. "Common Areas" shall mean any and all parcels of Common Area or Local Common Area, whatever is appropriate in the context, and shall include, without limitation, all such parcels that are designated as roads, streets, drives, parking areas or drives, walking paths,

common open space or area, pastures, wildlife habitat, wetlands common landscaped areas, storage facilities, waterway access points, other amenities and facilities, and Waterways. Common Area may be established from time to time by Declarant on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designating it as such in this Master Declaration or any Supplemental Declaration. In addition, the Master Association may acquire any Common Area it deems necessary and/or beneficial to the Property. Common Area may include easement and/or license rights.

3.3.9 "Common Facilities" shall mean the facilities developed by the Declarant or the Association for the general use of the Owners, their families and guests which is located, or to be located, within the Subdivision and any other facilities of a similar nature situated in the Subdivision which the Declarant has designated for future transfer to the Association or which the Association may from time to time own, lease, operate or otherwise control.

3.3.10 "Declarant" shall mean L. B. Industries, Inc., an Idaho corporation, its successors and assigns.

3.3.11 "Delegate(s)" shall mean a person selected by Members of a Local Association or Owners within a Phase, and by Declarant (until Declarant's Membership terminates), to represent their respective interests in the Master Association. All Delegates to the Master Association shall comprise the members of the Master Association Board. Members of a Local Association or Owners within a Phase, and Declarant (until Declarant's membership terminates), shall elect separate Delegates to the Master Association.

3.3.12 "Improvements(s)" shall mean structures and construction of any kind, whether above or below the land surface, such as, but not limited to, buildings, accessory buildings, private wells, water lines, septic systems or sewers, electrical and gas distribution facilities, loading areas, parking areas, walkways and walking paths, walls, fences, hedges, plantings and other landscaping, signs and external lighting.

3.3.13 "Lot" shall mean each lot reflected on the recorded plat of the Subdivision.

3.3.14 "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 Master Association or Local Association, plus applicable interest, in connection with corrective action performed pursuant to the provisions of the Master Declaration or any Supplemental Declaration, including, without limitation, damage to any Common Area, Restricted Area or failure of an Owner to keep his/her/its Building Lot and Improvements in proper repair, as provided in this Master Declaration or a Supplemental Declaration. All Limited Assessments made by a Local Association shall be levied through the Master Association.

3.3.15 "Local Association(s)" shall mean any profit or non-profit Idaho corporation or unincorporated association, or the successor of any of them, organized and established by Declarant or Owner/Members of a particular Phase pursuant to or in connection with the

terms of this Master Declaration or a Supplemental Declaration. A Local Association shall have no right, title or interest in name "Blackhawk," stylized or otherwise, or any logo in connection therewith.

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

3.3.17 "Maid/Guest House" shall mean a residential structure for use as servant's quarters or guest quarters, which is attached to the main residential structure.

3.3.18 "Master Association" shall mean the Idaho non-profit corporation, or its successors, organized and established by Declarant to exercise the powers and to carry out the duties set forth in this Master Declaration or any Supplemental Declaration. Declarant shall have the power, in its discretion, to name the Master Association the "Blackhawk Ranch Master Property Owners' Association, Inc.," or any similar name which fairly reflects its purpose. The Master Association shall have no right, title or interest in the name "Blackhawk," stylized or otherwise, or in any logo in connection therewith.

3.3.19 "Member" shall mean each Owner, including Declarant, holding a membership in the Master Association. Where specific reference or the context so indicates, it shall also mean Owners, including Declarant, holding membership in a Local Association.

3.3.20 "Occupant" shall mean and include 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 Site or Sites whether or not such right is exercised, and their heirs, assigns and successors in interest.

3.3.21 "Private Roads" shall mean all ingress and egress roadways within the Subdivision beginning and ending from the points of ingress and egress from West Mountain Road. All Subdivision Private Roads constitute Common Areas, which will be held by the Declarant until deeded to the Master Association. Private Roads will not be provided County or State services such as snow removal and repairs. After deeding by Declarant to the Master Association, the Master Association will be required to provide all necessary services. Common Area Private Roads will be deeded to the Master Association subject to an access and use easement for the benefit of Owners.

3.3.22 "Owner" or "Owners" shall mean the party or parties having any fee hold estate interest in any Building Site, excluding any person who holds such interest as security for the payment of an obligation, but including any mortgage, under deed of trust or other security holder in actual possession of any Building Site, as a result of foreclosure or

otherwise, and any person taking title through such security holder, by purchase at foreclosure sale or otherwise.

3.3.23 "Out Building" shall mean an enclosed covered building to be used as a barn, garage or for other storage purposes not directly attached to the main structure which it serves.

3.3.24 "Out Lot" shall mean real property reserved by Declarant for open space, roadways, utilities or recreational facilities.

3.3.25 "Phase" shall mean any subdivision plat covering any portion of the Subdivision Property as recorded in the Valley County Recorder's Office as the same may be amended by duly recorded amendments thereof.

3.3.26 "Restricted Area" shall mean that portion of the Property, which is not Common Area or Building Sites, but is owned or leased, operated and maintained by the Master Association or any Local Association. Restricted Area may be established from time to time by Declarant on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designation it as such in this Master Declaration, any Supplemental Declaration or Master Plan and Plat. In addition, the Master Association may acquire any Restricted Area it deems necessary and/or beneficial to the Property and/or the Owners. Restricted Area may include easement, lease and/or license rights. Restricted Area shall not be subject to use by Members, Owners or the Public; provided however, that the Master Association shall have the power to convert any Restricted Area into Common Area or to allow limited or selective use of the Restricted Area in accordance with Federal and State environmental, water quality and/or other controls and regulations

3.3.27 "Single Family Residence" shall mean a single-family residential building together with not more than one (1) Out Building.

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

3.3.29 "Subdivision" shall mean the land described in Article 2, which consists of the entire Blackhawk Ranch Subdivision as set forth in the Master Plan and Plat approved on May 13, 1999, by Valley County, as the same may be amended from time to time and approved by Valley County. Declarant may, pursuant to the following provisions of this Declaration, amend Article 2 to include all or any part of any land owned by it at the time of the amendment if the same is adjoining land (for the purpose of this paragraph, land separated only by roads or water ways shall be deemed to "adjoin") or land which Declarant includes in the Master Plan and Plat submitted by Declarant and which receives approval by Valley County.

3.3.30 "Supplemental Declaration" shall mean any Supplemental Declaration including additional covenants, conditions and restrictions that might be adopted by Declarant with respect to any Phase or any portion of the Property.

3.3.31 "Walking Path and Waterways" shall mean any surface water amenity, including without limitation, any lake, pond, channel, slough, stream, or reservoir, natural or artificial, which is located on the Property and any foot path, walk way, paved or unpaved, that runs along or is established in connection with any Waterway.

Article 4: Covenants and Conditions

4.1 Land Use and Building Type.

4.1.1 No Building Site shall be used except for residential purposes, and each Site shall be limited to one Single Family Residence. No building shall be erected, altered, placed, or permitted to remain on any Site other than for residential or recreational purposes or for a private garage, barn, and other Out Buildings incidental to residential use of the premises. All structures constructed on any Building Site shall be constructed with a substantial quantity of new materials and no used structure shall be relocated or placed on any Building Site. No trailer, motor or mobile home, basement, tent, shack, garage, barn, or other Out Building located or erected on a Building Site covered by these Covenants and Conditions shall at any time be used for private habitation, except in the following situations:

4.1.1.1 During the construction period for a given Building Site (which must be completed within twelve (12) months - see Section 3.12) a recreational vehicle (camping trailer or motor home) may be used for temporary habitation of the Building Site Owner and/or Occupants as approved on a case-by-case basis by the Architectural Control Committee.

4.1.1.2 After the construction of a Single Family Residence has been completed upon a Building Site, a recreational vehicle (camping trailer or motor home) may be used for temporary habitation by guests for consecutive periods not exceeding fourteen (14) days or nights. At the conclusion of such fourteen (14) consecutive day or night occupancy period, the recreational vehicle must be removed from the Building Site for at least fourteen (14) consecutive days.

4.1.2 No Building Site shall be used for any retail commercial or business purposes whatsoever. The Covenants and Conditions set forth within this Section 4.1 shall not apply to Declarant's or its agent's real estate sales office (if any), and the activities conducted in connection therewith.

4.2 Approval of Construction Plans.

4.2.1 No building or other structure shall be constructed, erected, or maintained on any Building Site, nor shall any addition thereto or change or alteration therein be made unless it complies with applicable Valley County, Idaho, zoning ordinances and until the

complete plans and specifications (including, but not limited to, the floor, elevations, plot, grading, and landscaping plans), provisions for off-street parking, the specifications of principal exterior materials and color schemes, and the location, character and method of utilization of all utilities) have been submitted to and approved in writing by the Architectural Control Committee. Each building or other structure shall be constructed, erected, and maintained in strict accordance with the approved plans and specifications.

4.2.2 The procedures dealing with the submission of plans to the Architectural Control Committee are set forth in Article 5.

4.3 Minimum Floor Area and Building Heights.

4.3.1 Single Family Residence - no main residence structure shall be permitted on any Building Site covered by these covenants, the habitable floor area of which, exclusive of basements, porches, and garages, is less than 1,200 square feet.

4.3.2 Single Family Residence - no main residence structure shall be permitted to have more than two (2) above ground floors (a daylight basement shall not generally be considered an above ground floor). In the case of a two (2) story (above ground) structure, the first floor shall have no less than 800 square feet of the required 1,200 square feet of total habitable floor area.

4.3.3 The maximum height of any building shall be in compliance with the Valley County zoning ordinances.

4.4 Set Back Requirements. Some Building Sites have designated building envelopes as per the recorded Subdivision plat, if a building envelope is designated for a given Building Site, all Improvements must stay within the designated building envelope and construction must be conducted to reasonably minimize disturbance to areas of the Building Site outside of the building envelope. Notwithstanding the foregoing, the specific location of such Improvements must also receive the advance approval of the Architectural Control Committee, as more completely described herein and all such Improvements shall conform to the Valley County zoning regulations then in effect.

4.5 Fences. To maintain and preserve the natural beauty of land, no fence, wall, or similar type barrier of any kind shall be constructed, erected, or maintained on any Building Site for any purpose whatsoever, except such fences, walls, or barriers that are attached to the main structure for privacy or enclosure of pets as may be approved by the Architectural Control Committee (in no case will chain link fencing, enclosures or barriers, be approved). No lot line fencing will be permitted on any Building Site.

4.6 Signs. No signs of any kind shall be displayed to the public view on any part of the property, except one sign of not more than two (2) square feet designating the Owner of any Building Site, one sign of not more than six (6) square feet advertising the property for sale or rent, and except temporary signs used by Declarant, or its agent, to advertise property.

4.7 Easements. Easements and rights-of-way as described on the recorded plat of the Subdivision or any Phase may have been reserved for poles, wires, pipes, and conduits for electricity, gas, telephones, sewer, drainage water, snow removal, utility, road and other purposes, together with the right of ingress and egress for further construction, maintenance and repair thereof as shown on the recorded plat of the Subdivision. No dwelling, Improvement, material, equipment, or refuse shall be placed on any part of said property within the area of easements reserved so as to interfere with the use thereof as reserved.

4.8 Garbage and Refuse Disposal.

4.8.1 No part of the Subdivision above or below ground shall be used or maintained as a dumping ground for refuse, trash, garbage, debris, or other waste. At all times the Subdivision shall be maintained in a sanitary condition.

4.8.2 All fish cleaning shall be performed at designated locations in the Common Areas or will be performed on the Owner's own Building Site. All debris and waste from fish cleaning will be properly disposed of in appropriate garbage containers. Under no circumstances will dead fish or fish parts be left on the ground or thrown into the water of the Subdivision ponds or streams or the Payette River.

4.8.3 Reasonable precaution shall be taken against fire hazards and no outdoor burning of any kind shall be permitted upon the Building Sites (except for cooking).

4.8.4 Each property Owner shall provide suitable receptacles for the temporary storage and collection of refuse on their Building Site and all such receptacles shall be screened from public view and protected from disturbance.

4.8.5 These restrictions also apply to contractors doing construction work on behalf of Owners.

4.8.6 Notwithstanding the foregoing, the burning of slash (plant debris) may be conducted under the direction of the Declarant or the Master Association, but only when done in accordance with applicable law.

4.9 Trees. Living trees, the trunk of which is four (4) inches or more in diameter, naturally existing upon a Building Site, except to the extent necessary for construction purposes, shall not be cut, trimmed, or removed from the properties except as may be approved by the Architectural Control Committee.

4.10 Animals, Livestock and Poultry.

4.10.1 No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the property for any commercial purpose. Household pets kept for personal or recreational purposes must be kept within the boundaries of the Building Site unless accompanied by and under the control of the Owner.

4.10.2 All pet enclosures must match the colors of the main structure on the Building Site, be attached to the main structure on the Building Site and receive the prior approval of the Architectural Control Committee.

4.10.3 Idaho Law prohibits dogs from disturbing or chasing wildlife. Fish and Game Policy allows for destruction of dogs in the pursuit of big game animals. Owners may be cited and fined. When dogs are out of their enclosures the Owner is responsible to keep them on a leash and for cleanup of animal waste in the Common Areas or other areas outside their Building Site.

4.11 Landscaping.

4.11.1 Declarant has set aside some natural areas and wetland areas as Common Areas, as designated on Declarant's Master Plan and Plat of the Subdivision. These areas are not to be destroyed.

4.11.2 In order to insure protection of the water quality of the Payette River, creeks and ponds in Common Area, and the natural environment, all natural surface areas disturbed by construction shall be returned promptly to their natural condition and replanted in native grasses and trees. All previously prepared Sites will be landscaped and completely planted in native grasses and trees. The Architectural Control Committee may approve limited construction of gardens, lawns, and exterior living areas. Well water shall be restricted to domestic use only (domestic use is deemed to include non-commercial use of water for human and animal consumption, cleaning, washing, sanitation systems and reasonable watering of houseplants and exterior gardens and lawns).

4.12 Continuity of Construction. All structures commenced in this Subdivision shall be prosecuted diligently to completion and shall be completed within twelve (12) months of issuance of building permit unless approved in writing by the Architectural Control Committee.

4.13 Nuisance and Fire Arms. No noxious or offensive activity shall be carried on within the Subdivision nor shall anything be done or permitted which will constitute a public nuisance therein; nor shall any firearms be discharged within the Subdivision. Firearms as used herein shall be construed to mean not only rifles, pistols and cannons, but also fireworks, explosives, air rifles, BB guns, or similar devices.

4.14 Sewage Disposal. If public sewers become available, dwellings then under construction or subsequently to be built must make use thereof. Pending availability of public sewers, each dwelling must use a sanitary disposal system of a design and installation approved by Valley County, the Central District Health Department and the Idaho Department of Health and Welfare.

4.15 Parking.

4.15.1 Parking shall be accommodated on each Building Site with no Owner parking of vehicles allowed on Subdivision private or public streets, except in areas so designated for on street parking by the Declarant or the Association. Each Building Site shall

provide at least a one-car garage (three-car garage maximum) and the minimum of two additional parking units. Each additional parking unit shall be located entirely within the Building Site lines.

4.15.2 Parking in Common Areas shall be limited to those locations designated as being available for parking. Parking in these areas shall be for temporary purposes incidental to the use of the Common Areas and Common Facilities. No overnight parking or overnight camping shall be permitted in the vehicles located in the Common Areas.

- 4.16 Trailers and Motor Vehicles. No boats; trailers; campers; motor homes; commercial cars, trucks or vans; buses, or other portable vehicles, other than duly registered and licensed non-commercial cars, passenger vans, and light duty trucks, shall be parked forward of any dwelling at any time during three (3) consecutive days. Notwithstanding the foregoing sentence, commercial vehicles may not regularly be parked forward of any dwelling on a daily or other continuing basis (It is the intent of this provision to prohibit Owners or Occupants from regularly parking commercial vehicles on Building Sites. This Subdivision is residential and Owner or Occupant commercial vehicles should be garaged or otherwise concealed when parked on a Building Site). All boats, trailers, campers, motor homes, snowmobiles, All Terrain Vehicles, motorcycles and other motorized vehicles, if parked for a period exceeding 72 hours, must be concealed from sight of any traffic along Subdivision roads by appropriate fencing, enclosure or other year round screening. Any screened area must be located to the side yard or rear yard of a dwelling. No motor vehicle shall be constructed, reconstructed, or repaired upon the front or side yard of any Building Site or street; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or construction vehicles used in connection with the construction of any Improvement as approved by the Architectural Control Committee. No motor vehicle of any type, or part thereof, shall be permitted to remain on any Building Site or street in an exposed position and in a non-operative condition, for more than thirty (30) days in any calendar year. Any such vehicle or part thereof which does not display current or valid license plates and safety inspection stickers, as required by law, shall be deemed to be a "non-operating condition vehicle" and may be removed at the request of any Owner and at the expense of the Owner in violation, after a ten (10) day written notice has been provided. No motorized "off-the-road" vehicles shall be operated on any Building Site in a noisy or disturbing manner which would create a nuisance.
- 4.17 Snowmobiles, ATVs, Motorcycles, Etc. Snowmobiles, ATVs, motorcycles, and other recreational vehicles and equipment (all generally referred to as "Recreational Equipment"), shall not exceed 15 mph while operating in the Subdivision. It is the intent of the Declarant not to allow high-speed use of Recreational Equipment anywhere within the Subdivision (including their operation on Building Sites, Private Roads and Common Areas). The 15-mile per hour speed limited is intended to allow Recreational Equipment to be driven to and from the Subdivision but is not intended to allow recreational use within the Subdivision. All recreational use is intended to occur outside of the Subdivision.

- 4.18 Antennas. Except as specified herein, antennas, satellite dishes, or other devices for the transmission or reception of television, radio or electric signals or any other form of electromagnetic radiation shall not be erected on the front yard of any building Site. Notwithstanding the above, a television antenna may be attached to the side of a dwelling, if using a fireplace chimney for support; satellite dishes exceeding 18 inches in diameter shall be painted an earth tone color and shall be concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee; and satellite or digital antenna dishes of 18 inches in diameter or less may be attached to any part (front, back, or side) of a dwelling.
- 4.19 Storage Tanks. Any tank used in connection with any dwelling (e.g. for storage of gas, oil or water) and any type of refrigeration or heating apparatus must comply with State and Federal law and be located under ground or concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee.
- 4.20 House Numbers and Mailboxes. Each dwelling shall have a street number discreetly placed at or near the street entrance to the Building Site. Mailboxes installed along the roads shall be of wood construction with a wood post in order to achieve a uniform appearance. Mailboxes shall be paid for by the Owner.
- 4.21 Fishery Management. The Master Association shall establish fishery management procedures (including, but not limited to, stocking and harvesting procedures and fishing rules) as needed to protect the health and welfare of the fish habitat. In establishing fishery management procedures, the Association will endeavor to comply, where applicable, with the rules and regulations as established from time to time by Idaho Fish and Game. Owners and their guests shall be required to comply with the most current fishing rules published by the Association.
- 4.22 Water Quality. The Master Association shall have the authority to adopt rules and regulations to ensure and to protect the natural beauty and water quality of the Payette River, creeks, springs and ponds within the Subdivision.
- 4.23 Maintenance of Dams, Water Conveyance Systems and Water Quality. The Master Association shall the authority to adopt rules and regulations to ensure and maintain the safety and function of the diversion dams that divert water in the creeks, springs and ponds, the water conveyance systems leading into and out of any Blackhawk Ranch Phase, and the natural beauty and water quality of any Subdivision springs, ponds and creeks.
- 4.24 General Restrictions Applicable to Common Areas and Common Facilities.
- 4.24.1 The Common Areas and Common Facilities shall be under ownership and control of the Declarant until the Declarant creates and deeds over the said Common Areas and Common Facilities. Declarant retains the right to create and deed over Common Areas and Common Facilities as it deems appropriate, but Declarant must deed all Common Areas and Common Facilities to the Master Association as of the date Declarant owns no more than five percent (5%) of the Building Sites then within the Subdivision.

4.24.2 Subject to the Master Association Rules, the following persons shall have the exclusive right of use of all Common Areas and Common Facilities:

4.24.2.1 Members of the Master Association (Owners), their immediate families, guests and the tenants of such members.

4.24.2.2 Declarant, its invitees, guests, tenants, employees and agents, and its successors and assigns, while Declarant, its successor or assigns, are engaged in the development and/or sale of property within the Subdivision.

4.24.4.3 Such other persons or entities as the Master Association shall from time to time grant the right of use.

4.24.3 The use of Common Areas and Common Facilities shall at all times be subject to the rules, regulations and user charges, if any, prescribed by the Declarant from time to time (prior to the deeding of such Common Areas and Common Facilities to the Association) and thereafter, as prescribed by the Master Association from time to time.

4.24.4 The use of said Common Areas and Common Facilities shall be subject to such easements and reservations of rights of Declarant hereinafter described and made of record.

4.24.5 Only the Declarant (prior to title to the Common Area vesting in the Master Association) or the Master Association (after vesting of title) shall be permitted to engage in construction, excavation or other work which in any way alters any Common Area or Common Facility. Construction, excavation or other work shall only be made in strict compliance with provisions of Section 4.25.

4.24.6 Any portion of a Common Area may be developed by constructing thereon one or more additional recreational facilities by the Master Association.

4.24.7 There shall be no use of a Common Area or Common Facility which injures, erodes, or scars the same or the vegetation thereon, or increases the cost of maintenance thereof, unless expressly permitted by the Master Association. In any event, there shall be no use of a Common Area or Common Facility, which causes unreasonable embarrassment, disturbance, or annoyance to Owners in the enjoyment of their Building Sites.

4.25 Common Areas: Construction and Alteration of Improvements, Etc.

4.25.1 After title to the Common Area or any portion of the Common Area is vested in the Master Association, no Improvement, excavation or work which in any way alters such Common Area from its state on the date such Common Area is so conveyed, shall be made or done except upon strict compliance with the following provisions of this Section.

4.25.2 With the exception of Declarant (prior to the time that the Master Association is vested with fee title to said Common Area), or a public utility or governmental agency (by right of easement), only the Master Association shall have the right to construct

Improvements upon, or make any excavation or fill upon, or change the natural or existing drainage of, or destroy or remove any tree, shrub, or other vegetation or plant any tree, shrub or other vegetation upon any Common Area.

4.25.3 If the Master Association, or any entity under right of easement, proposes to construct a new Improvement or alter the exterior of an existing Improvement upon a Common Area, or to make any excavation or fill upon, or to change the natural or existing drainage of surface waters, upon a Common Area, it shall not do so until a permit has been obtained from the Architectural Control Committee. The Master Association, or entity proposing to do such work shall submit to the Architectural Control Committee for approval plans for such work in such form and containing such information as the Architectural Control Committee may require. The Architectural Control Committee shall approve the plans so submitted if the following conditions have been satisfied:

4.25.3.1 If the plans are to construct any new Improvement, including any alteration of the exterior of any existing Improvement, the Architectural Control Committee finds that such Improvement complies with these Covenants and Conditions; and

4.25.3.2 That such work if under right of easement, (i) is reasonably necessary for any utility installations serving any property within the Subdivision or any property to be annexed to the Subdivision, or any property for which an easement has been reserved or granted by Declarant or (ii) is desirable in order to provide or improve access to or to enhance the use and enjoyment of any such property; or (iii) is desirable to protect or preserve any property within the Subdivision; and

4.25.3.3 The Architectural Control Committee finds that the proposed work shall not materially prejudice the Subdivision.

4.25.4 Without approval of the Architectural Control Committee, the Master Association may:

4.25.4.1 Construct, reconstruct, replace or refinish any Improvement or portion thereof upon Common Areas in accordance with the plans for such Improvement as they existed upon the Common Area when it was conveyed to the Association;

4.25.4.2 Replace destroyed trees or other vegetation with native plants, and, to the extent that the Association deems necessary; plant other native trees, shrubs, ground cover and other native vegetation;

4.25.4.3 Take whatever measures that may be necessary to prevent or retard the shifting or sliding of earth; and

4.25.4.4 That such work does not violate Federal, State, and Local Government Agencies' Laws, Ordinances and Restrictions.

- 4.25.5 Without approval of the Architectural Control Committee, the Declarant may construct, reconstruct, replace or refinish any Improvement intended to be constructed on a Common Area, or any portion thereof, as a part of the development work of the Subdivision.
- 4.26 Mining/Oil Drilling. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon or in the Subdivision, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of the Subdivision or within five hundred (500) feet below the surface of the Subdivision. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted in the Subdivision.
- 4.27 Work in Progress. The Architectural Control Committee or its representative may inspect all grading and construction work while such work is in progress and give notice of non-compliance when it believes that the provisions of this Declaration have not been complied with, and such person(s) shall not be deemed guilty of trespass by reason of such entry. If no notice of non-compliance has been sent, then the Owner shall be deemed to be in compliance upon occupancy of the dwelling and related structure and other Improvements.
- 4.28 Machinery and Equipment. No commercial machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Building Site within the Subdivision except such machinery or equipment that is usual and customary in connection with the development, maintenance or construction of a residence, appurtenant structures, or other Improvements within the Subdivision.
- 4.29 Restriction on Further Subdivision. No Lot within the Subdivision shall be further subdivided or separated into smaller Lots or parcels by any Owner and no portion less than all of any such Lot shall be conveyed or transferred by any Owner. This provision shall not, in any way, limit Declarant from subdividing any portion of the Subdivision or Building Site owned by Declarant into multiple Lots or Building Sites. No portion of a Building Site but for the entire Building Site, together with the Improvements thereon, may be rented. The provisions of this Section shall not apply to the division of any Lot or Building Site between adjoining Lots or Building Sites.

Article 5: Architectural Control Committee

- 5.1 There is hereby established an Architectural Control Committee (the "Committee"), whose members shall be appointed or removed by Declarant except as provided in Section 5.3. This Committee shall consist of three voting members.
- 5.1.1 The initial members of the Architectural Control Committee are:

<u>Name</u>	<u>Address</u>
Larry B. Barnes	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701
James K. Ball	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701
John W. Moody	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701

- 5.1.2 Each of said persons shall hold office until such time as they have resigned, have been removed, or their successor has been appointed.
- 5.2 The right to appoint and remove members of the Committee shall be vested in the Board of Directors of the Master Association from and after the expiration of the eighteenth month following the date Declarant owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision, unless during such eighteen (18) month period, Declarant's percentage of ownership is increased to more than five percent (5%) of the Building Sites collectively within the Subdivision by reason of the annexation of property to the Subdivision pursuant to Article 9 Section 9.4, in which event said eighteen (18) month period will not start to run until Declarant again owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision. Upon the right to appoint and remove members of the Committee being vested in the Board of Directors of the Master Association, the appointment and removal of members of the Committee shall be made by the Board of Directors of the Master Association in accordance with the By-Laws of the Master Association.
- 5.3 The Architectural Control Committee shall, in accordance with the procedures set forth in Article 4 hereof, have the responsibility to interpret the Covenants and Conditions relating to the construction plans and plans for Improvements of the Building Sites, pursue approvals and certificates of compliance with the Covenants and Conditions and inspect and enforce the Covenants and Conditions. In addition, the Committee, when appointed solely by Declarant, shall have the right from time to time to amend any of the Covenants and Conditions set forth in Article 4, upon a two-thirds majority vote of its members, but no amendment to the Covenants and Conditions shall be applied retroactively to affect plans and specifications (as that term is defined in Section 5.2.4 hereof) previously approved by the Committee, or Improvements constructed or being constructed pursuant thereto.
- 5.4 No Improvements shall be constructed, erected, placed, altered, maintained or permitted on any Building Site until the design and construction plans, specifications, Site plan and

landscaping plan, and time schedule for completion of construction and landscaping (collectively hereinafter referred to as "plans and specifications"), in manner and form satisfactory to the Committee, have been submitted to and approved by the Committee. Such plans and specifications shall be submitted in writing over the signature of the Owner or his authorized agent.

- 5.5 Proposed plans and specifications must be submitted to the Architectural Control Committee along with a non-refundable fee of \$100.00. Plans and specifications must be prepared or approved by a State licensed architect or, if not prepared by a State licensed architect, the plans and specifications must be approved by the Valley County Building Department prior to submission to the Architectural Control Committee. The initial sketch or concept drawing indicating floor plan, elevations, site and plot plan indicating all buildings, driveways, and attached fencing if required, should be approved by the Architectural Control Committee before Owners are committed to a large investment for detailed architectural drawings.
- 5.6 Approval shall be based, among other things, on the Covenants and Conditions, the adequacy of Building Site dimensions, conformity and harmony of external design with neighboring structures, effect of location and use of Improvements on neighboring Building Sites, operations and uses; relation to topography, grade, finished ground elevation and landscaping of the Building Site being improved to that of neighboring Building Sites; proper facing of main elevation with respect to nearby streets; and conformity of the plans and specifications to the purpose and general plan and intent of these Covenants and Conditions. The Committee shall not arbitrarily or unreasonably withhold its approval.
- 5.7 If the Committee fails either to approve or to disapprove such plans and specifications (including resubmission of disapproved plans and specifications which have been revised) within forty-five (45) days after the same have been submitted to it (provided that all required information has been submitted), it shall conclusively be presumed that said plans and specifications have been approved subject to this Declaration as from time to time amended. If within said initial forty-five (45) day period, Declarant gives written notice of the fact that an additional forty-five (45) day period is required for examination and review of such plans and specifications, there shall be no presumption that the same are approved until the expiration of the additional forty-five (45) day period of time as set forth in said notice. The Committee shall promptly notify the Owner in writing upon receipt of all required plans and specifications and the aforesaid initial forty-five (45) day time period shall commence on the date of such notification.
- 5.8 Neither the Committee, its individual members, nor Declarant nor their respective heirs, successors or assigns shall be liable in damages to any Owner submitting plans and specifications for approval, nor to any other Owner or Occupant of the Property affected by these Covenants, 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 any such plans and specifications. Every person who submits plans and specifications to the Committee

for approval agrees, by submission of such plans and specifications, and every Owner or Occupant of any Building Site agrees, by acquiring title thereto or an interest therein, that he will not bring any action or suit against the Committee, its individual members, or Declarant to recover any alleged damages related to his application for approval of plans and specifications.

Article 6: Master Property Owner's Association

- 6.1 Organization. The Master Association shall be initially organized by Declarant as an Idaho non-profit corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charge with the duties and invested with the powers prescribed by law and set forth herein. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration. Declarant may, in its discretion, grant to the Master Association a revocable, non-exclusive license to use the name "Blackhawk Ranch." Each Owner shall abide by and benefit from the provisions, covenants, conditions and restrictions contained herein. Declarant shall establish the Master Association not later than eighteen months following the date on which the Declarant's ownership of Building Sites collectively then within the Subdivision as a whole is not more than five percent (5%). The non-profit corporation shall be designated the "Blackhawk Ranch Master Property Owners' Association, Inc." (or some other similar entity name) and is generally referred to herein as the "Master Association".
- 6.2 Release of Control over Architectural Committee. Unless the Declarant does so earlier, the Declarant shall release control of the Architectural Control Committee and ownership of the Subdivision Common Areas and Common Facilities to the Master Association no later than eighteen (18) months following the date on which Declarant owns no more than five percent (5%) of the Building Sites collectively within the Subdivision. Upon transfer of control of the Architectural Control Committee from the Declarant to the Master Association, the Master Association shall then begin to exercise the power and authority granted by these Covenants and Conditions and according to the Master Association's ByLaws and Articles of Incorporation.
- 6.3 Membership. Each Owner by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Master Association, and no Owner, except Declarant, shall have more than one membership in the Master Association. Memberships in the Master Association shall be appurtenant to the applicable Phase, or Building Lot or other portion of the Property owned by such Owner. The memberships in the Master Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Master Association. If more than one person owns the Building Site and its appurtenant membership, all of said persons shall be deemed to hold one membership and the membership shall be in the name of one designated individual. With respect to each Building Site, the Board of Directors (the "Board") shall at all times have the power to limit the number of persons (other than immediate family of the designated Member) who

shall have the right to use the Common Areas and Common Facilities under any one membership. The rights, duties, privileges and obligations of a member shall be in accordance with these Covenants and Conditions, the Articles and By-Laws.

6.3.1 In the event of the dissolution of the Master Association, upon the formation of an unincorporated association, each member of the Master Association shall be a member of the unincorporated association and shall have an underlying beneficial interest in all of the property transferred to or for the benefit of said unincorporated association; provided, however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such member acquiring any interest in said property, or any part thereof, seek any such judicial partition.

6.4 Voting. The Master Association will have three (3) classes of memberships:

6.4.1 Class A Members. Class A Members shall be the Delegates of Local Associations who's Members are designated in its Supplemental Declaration as Members of the Master Association and a Local Association. Each Delegate shall be entitled to one (1) vote for each single-family Building Lot the Delegate represents.

6.4.2 Class B Member. Declarant shall be the sole Class B Member and shall be entitled to three (3) votes for each Class A Member of the Master Association. For example, if there are two (2) Class A Members each representing ten (10) Class C Members as defined below, then Declarant as the sole Class B Member shall be entitled to three (3) times the Class A votes, i.e., 60 votes. The Class B Member shall cease to be a voting Member in the Master Association when the Declarant's ownership of Building Sites within the Subdivision is no more than five percent (5%) of the total membership.

6.4.3 Class C Members. The Class C Members shall be all Owners, with the exception of the Declarant and the Delegates. Class C Members shall not be entitled to vote in the Master Association. However, Building Sites owned by such Class C Members shall be counted for purposes of determining the number of votes of the Class A Members as specified in Subsection 6.4.1. Each Building Site shall be entitled to one vote. Every Member entitled to vote at any election of the Board may cumulate his/her votes and give any candidate a number of votes equal to the number of votes, which the Member has, multiplied by the number of directors to be elected. The right to vote may not be severed from the Building Site to which it relates and any sale, transfer or conveyance of fee title of the Building Site to a new Owner, shall operate to transfer the appurtenant vote or votes to the grantee.

6.5 All voting power in the Master Association shall be exercised by Delegates selected, as provided for in Article 6, and by Declarant, and no member shall be entitled to cast his or her own vote.

6.6 The vote for each Building Lot shall be exercised as the Owners thereof among themselves determine. 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 conclusive for all

purposes that such Owner was acting with authority and consent of all joint Owners of the Building Site(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, mortgage, 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 proposed owner, subject to any assignment of the right to vote to a lessee, mortgagee, beneficiary or contract purchaser provided herein.

- 6.7 Board of Directors and Officers. The affairs of the Master Association shall be conducted and managed by the 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 shall be comprised of the Master Association Delegates, including Declarant's Delegate. For purposes of voting at Board meetings, each Master Association Delegate, including Declarant's Delegate, when acting in their capacity as Board members, shall have the same number of votes as enunciated in Section 6.4.
- 6.8 Interim Master Association. Prior to the organization and establishment of the Master Association, the Declarant shall establish a non-profit organization. The non-profit organization will collect "Maintenance Fees" until control over the Architectural Control Committee is transferred to the Master Association. The purpose of the Maintenance Fees shall be the restoration, repair, maintenance and upkeep of the roadways, walk ways, walking paths, waterways, waterway banks and channels, planting areas within roadways, Common Areas, and Common Facilities and to provide security and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners. Said Maintenance Fees shall be assessed equally against all Building Sites, to include Building Sites owned by Declarant, and shall be assessed against the Building Sites and collected as provided herein as if the Maintenance Fees were being assessed and collected by the Master Association. At the time Declarant transfers control to the Master Association, the Maintenance Fee funds then held by the Interim Master Association shall also be transferred to the Master Association and the Master Association will then assume the Interim Master Association's duty to oversee the maintenance of the Subdivision and the collection of Maintenance Fees. The Master Association will create and maintain a Maintenance Fee reserve fund in an amount, which shall always be sufficient for maintenance of the Master Association property and operations for at least a one-year period.
- 6.9 In the event that the Master Association as a corporate entity is dissolved, a non-profit, unincorporated Master Association shall forthwith and without further action or notice, be formed and succeed to all the assets, rights, privileges, duties, and obligations of the Master Association.
- 6.10 Purpose. The purpose of the Master Association shall be the restoration, repair, maintenance and upkeep of the roadways, walk ways, walking paths, Waterways, waterway

banks and channels, planting areas within roadways, Common Areas, and Common Facilities and to provide security and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners.

6.11 Duties of the Master Association.

6.11.1 The Master Association shall accept as members all persons described in Section 6.2 above.

6.11.2 Immediately prior to any dissolution of the Master Association as a corporate entity, the Master Association shall convey all property vested in it to an independent corporate trustee to hold same in trust for the unincorporated Master Association to be formed for the benefit of the Members.

6.11.3 The Master Association shall maintain and operate any Common Areas and Common Facilities, which it owns for the benefit of those, entitled to use such facilities pursuant to these Covenants and Conditions.

6.11.4 The Master Association shall, at the expense of the Owner, provide for the maintenance of any Building Site or Improvement thereon which is not maintained by the Owner in accordance with the requirements of these Covenants and Conditions.

6.11.5 The Master Association shall pay all taxes and assessments levied upon any Master Association property.

6.11.6 The Master Association shall contract for or otherwise provide such services as required by majority vote of the membership.

6.11.7 At a minimum, the Master Association shall obtain and maintain in force the following policies of insurance:

6.11.7.1 Fire and extended coverage insurance on all property owned by the Master Association from time to time, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement value (exclusive of the cost of excavation, foundations and footings), of such improvements as determined by the Master Association.

6.11.7.2 Bodily injury liability insurance with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000.00) per occurrence insuring against any and all liability with respect to its operations; and

6.11.7.3 Property damage liability insurance with a deductible of not more than One Thousand Five Hundred Dollars (\$1,500.00) and a limit of not less than Five Hundred Thousand Dollars (\$500,000.00) per accident.

6.11.7.4 Full coverage director's and officer's liability insurance with a minimum coverage limit of Two Hundred Fifty Thousand Dollars (\$250,000).

6.11.7.5 The above policies of liability insurance shall cover as insureds the Declarant, the Master Association, the Board, the Architectural Control Committee, the Owners of all Building Sites in the Subdivision, and their agents, representatives, members and employees. Each policy of insurance obtained by the Master Association shall expressly waive any and all rights of subrogation against Declarant, its agents, representatives, and employees, and any Owner.

6.11.8 The Master Association shall accept and act upon applications submitted to it for the development of additional Common Facilities.

6.11.9 The Master Association shall from time to time make, establish, promulgate, amend and repeal Master Association rules and establish user charges for Common Facilities.

6.11.10 After the control of the Architectural Control Committee is transferred from the Declarant to the Board of Directors of the Master Association, the Master Association shall appoint and remove members of the Architectural Control Committee and insure that at all reasonable times there is a duly constituted and appointed Architectural Control Committee.

6.11.11 The Master Association shall levy assessments upon all members of the Master Association and take such action as the Board deems to be required for the collection of assessments and user charges. With regard to the levy and collection of assessments for the restoration, repair, and maintenance of roadways, traffic control, and planting areas within roadways, all such levy assessments made by the Master Association shall be made on a prorate basis so that the Building Site Owners within each Phase of the Subdivision are assessed only for those costs and expenses incurred to restore, repair, maintain or plant planting area in roadways located within the respective Phase(s) of the Subdivision.

6.11.12 The Master Association shall take such actions, whether or not expressly authorized by these Covenants and Conditions, as may reasonably be necessary to implement and enforce these Covenants and Conditions, the Master Association rules and the Architectural Control Committee rules.

6.12 Powers and Authority of the Master Association.

6.12.1 The Master Association shall have all of the powers set forth in its Articles of Incorporation, including the power to levy and collect assessments from Members hereinafter provided, together with its general powers as a non-profit corporation (subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws and in these Covenants and Conditions) to do all lawful things which may be required to be done by the Master Association under these Covenants and Conditions and to do all acts which may be necessary for or incidental to the exercise of any express power of the Master Association or for the peace, health, comfort, safety and/or general welfare of the members of the Master Association. Without limiting the generality of the foregoing:

6.12.2 The Master Association shall have the power and authority at any time without liability to any Owner, to enter upon any Building Site for the purpose of enforcing these Covenants and Conditions, or for the purpose of maintaining any such Building Site, and any Improvements thereon, if for any reason whatsoever the Owner thereof fails to maintain such Building Site or any structure thereon as required under these Covenants and Conditions, and for the purpose of removing there from any improvement constructed or maintained on any Building Site contrary to the provisions of these Covenants and Conditions. The Master Association shall have the power to commence and maintain actions to restrain and enjoin any breach or threatened breach of these Covenants and Conditions.

6.12.3 The Master Association, in fulfilling any of its duties, under these Covenants and Conditions, shall have the power and authority to:

6.12.3.1 Contract and pay for, or otherwise provide for, the maintenance, restoration and repair of all property which it owns from time to time, or leases from time to time when said lease provides that the Master Association shall be obligated to so maintain, restore and repair such leased property;

6.12.3.2 Obtain, maintain, and pay for such insurance policies or bonds, as the Master Association shall deem to be appropriate for the protection or benefit of the Subdivision, the Master Association, the members of the Board, of the Architectural Control Committee, or of the Master Association, including, but without limitation, war risk insurance, boiler insurance, workmen's compensation insurance, malicious mischief insurance, automobile non-ownership insurance, and performance and fidelity bonds;

6.12.3.3 Contract and pay for, or otherwise provide for, such utility services to property which it leases or owns, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services, as may from time to time be required;

6.12.3.4 Contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants and such other professional and non-professional services as the Master Association deems necessary;

6.12.3.5 Contract and pay for, or otherwise provide for, fire, police, and such other protection services as the Master Association shall from time to time deem necessary for the benefit of the Subdivision, any property located within the Subdivision, and Owners;

6.12.3.6 Contract and pay for or otherwise provide for, such materials, supplies, furniture, equipment, and labor, as and to the extent the Master Association deems necessary; and

6.12.3.7 Pay and discharge any and all liens from time to time placed or imposed upon property of the Master Association on account of any work done or performed by the Master Association in fulfillment of any of its duties;

6.12.3.8 Employ the services of a manager to manage the affairs of the Master Association and, to the extent not inconsistent with the laws of the State of Idaho and upon such conditions as are otherwise deemed advisable by the Master Association, the Master Association may delegate to the manager any of its powers under these Covenants and Conditions;

6.12.3.9 Contract for the operational management of any or all of the Common Facilities as it shall from time to time see fit.

6.12.3.10 Pay, compromise or contest any and all taxes and assessments levied against all or part of any property belonging to the Master Association;

6.12.3.11 Subject to the provisions of these Covenants and Conditions adopt, amend and repeal rules and regulations to be known as "Associated Rules" governing, among other things:

6.12.3.11.1 The use of the Common Areas and Common Facilities;

6.12.3.11.2 The use of Master Association property;

6.12.3.11.3 The collection and disposal of refuse;

6.12.3.11.4 The burning of open fires;

6.12.3.11.5 The keeping and maintenance of animals within the Subdivision; and

6.12.3.11.6 Other activities in the Subdivision which would adversely effect the peace and enjoyment of residents in the Subdivision.

6.12.3.12 Grant concessions and/or leases and approve subleases, with respect to any of the Common Facilities;

6.12.3.13 Establish and collect reasonable user charges for any Common Area or Common Facility which it owns.

6.12.3.14 Establish and collect reasonable assessments to cover the expenses and obligations of the Master Association and to charge interest, after the due date for such assessments, at a rate of up to the maximum rate provided by law or 18% per annum (whichever is less), and to seek enforcement of the duty to pay such assessments as set forth in Section 6.13.

6.13 Lien for Assessments.

6.13.1 If any Building Site Owner shall fail or refuse to make any such payment of dues and assessment when due, the amount thereof shall constitute a lien on the Building Site as described in the deed of conveyance to the Owner. Upon the recording of notice

thereof by the Master Association in the office of the Valley County Recorder, such lien shall attach to such Owner's interest superior to all other liens and encumbrances, recorded or unrecorded, except only (a) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this state and any other state or federal taxes which by law are a lien on the interest of such Building Site Owner prior to pre-existing recorded encumbrances thereon, and (b) all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance.

6.13.2 The Master Association shall send a notice, postage prepaid, to any such encumbrance holder whose encumbrance was recorded prior to the time of recording the notice of lien provided for in this Section, at the address shown in the recorded encumbrance; provided that if such encumbrance holder has furnished the Master Association with another address, then such other address shall be used, and said Master Association shall not foreclose its said lien until at least thirty (30) days after the date of depositing such notice in the United States mails, postage prepaid, to the address of such encumbrance.

6.13.3 Any encumbrance holder holding a lien on a Building Site may pay any delinquent Assessments payable with respect to such Building Site and treat said payment as part of its encumbrance against the Building Site.

6.13.4 The lien provided for in this Section shall be in favor of the Master Association and shall be for the benefit of all other Building Site Owners, and may be foreclosed by an action brought in the name of the Master Association in a like manner as a beneficiary under a deed of trust. In any such foreclosure the Owner shall be required to pay the amount of the Assessment and accrued interest, the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien, and all reasonable attorney fees. The Owners shall also be required to pay the Master Association all assessments for the Building Site during the period of foreclosure, and the Master Association shall be entitled to a Receiver to collect the same. The Master Association shall have the power to bid in the total amount owed under this Section 6.13.4 at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its rights to such lien as may be necessary to expedient to an insurance company which will continue to give total coverage in spite of nonpayment of such defaulting Owner's portion of the premium.

6.14 The Master Association and its officers and directors, shall not be liable or accountable in damages for any action taken pursuant to the provisions of this Declaration.

6.15 Certificate of Assessments. Upon payment of a reasonable fee, as established by the Master Association and upon the written request of any Owner, mortgagee, prospective grantee or prospective mortgagee, of a Building Site, the Master Association shall to be issued a written certificate setting forth the amount of unpaid common expenses, if any, with respect to the subject Building Site; the amount of the current Assessment and the date upon which such Assessment becomes due; and credit for advanced payments or for

prepaid items (including, but not limited to, insurance premiums). Such certificate shall be conclusive upon the Master Association in favor of all persons who rely thereon in good faith. Unless such request for a certificate of Assessments be complied with within ten (10) days of the receipt of the request, then (a) in the case of a request by a mortgagee or prospective mortgagee, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien of said mortgagee or prospective mortgagee, or (b) in the case of a request by a prospective grantee, he shall not be liable for, nor shall the Building Site conveyed be subject to a lien for, any unpaid assessments or common expenses which became due prior to the date of making such request. No failure of the Master Association to comply with a request for a certificate shall relieve the Owner from personal liability for Assessments or constitute a waiver of lien rights against the subject Building Site. The provisions contained in this Section shall not apply upon the initial transfer of the Building Site by Declarant.

6.16 Meetings of Master Association.

6.16.1 Board of Directors. At least during every two (2) month period the Board of Directors shall meet to conduct such business as may come before the Board.

6.16.2 Annual Meeting of Members. There shall be an annual meeting of the Members of the Master Association as provided in the Bylaws of the Master Association. The first meeting of the Members of the Master Association, whether annual or special, shall be held within the first six (6) months following the close of the first sale of a Building Lot within such Subdivision. Such meeting shall be held on the Subdivision or at such other convenient location in or near the Subdivision as may be designated in the notice of such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member within the Master Association no later than ten (10) days prior to the meeting by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Members having one-quarter (1/4) of the total voting power within the Master Association.

6.16.3 Special Meetings. A special meeting of the Members of the Master Association may be called at any reasonable time and place by written notice by the Delegates to the Master Association representing the Members in the Master Association, or by the Members in the Master Association having one-quarter (1/4) of the total votes within the Master Association, and delivered to all other Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken.

6.16.4 Quorum. The presence at any meeting, in person or by written proxy, of the Members entitled to vote at least twenty-five percent (25%) of the total votes within the Master Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty 30 days from the time the original meeting was called. The Members

present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.

Article 7: Local Associations

- 7.1 Creation by Declarant. Declarant may create Local Associations as profit or non-profit corporations under the provisions of the Idaho Code relating to general non-profit corporations, or Grantor may create such a Local Association as any incorporated entity which Declarant deems appropriate. Declarant may in its discretion, create a Local Association by means of a Supplemental Declaration, or create such Association by means of separate instruments, and may in its discretion grant to such Local Associations a revocable, non-exclusive license to use the name "Blackhawk Ranch".
- 7.2 Members of Local Associations. Where a Local Association is created, the Members thereof shall be all of the Owners in the respective Phase(s) designated in the applicable Supplemental Declaration. Membership may not be transferred only as specified in Section 6.2 for the Master Association. Members of a Local Association shall be Members of the Master Association.
- 7.3 Voting in Local Associations. Each Local Association shall have two (2) classes of memberships:
- 7.3.1 Class A Members. Class A Members shall be the Owners of Building Sites within a Phase whose Owners are Members in the Local Association, excluding the Declarant, who shall have one (1) vote for each single-family detached Building Lot owned by said Members.
- 7.3.2 Class B Members. Declarant shall be the sole Class B Member, and shall be entitled to three (3) votes for each Class A Member. The Class B Member shall cease to be a voting Member in the Local Association when the Declarant's ownership of Building Sites within the applicable Phase is no more than five percent (5%).
- 7.4 Delegate to Master Association. Each Local Association representing a Phase shall in writing designate one (1) delegate to the Master Association. The Chairman of any meeting at which a Delegate is elected shall certify in writing to the Master Association Board the name of the Delegate and the Local Association the Delegate represents. A Delegate may be removed without cause by a majority of the votes, in person or by proxy, of the Members in the Local Association. Each Delegate will be entitled to cast one (1) vote for each single-family detached Building Lot owned by Members, including Declarant, of the Local Association which the Delegate represents. Only members of the Local Association for which the Delegates are selected shall be eligible for election as Delegates to represent said Local Association. Upon termination of any Delegate's membership in the Local Association for which he or she is selected, such Delegate's term of office shall immediately terminate, and a new Delegate shall be appointed by the Board to serve until the next annual or special meeting at which a new Delegate can be elected. Each Delegate of the applicable Local Association shall cast the votes, which he or she

represents in such a manner as he or she shall deem appropriate acting on behalf of all of the Members in the Local Association represented by such Delegate. However, as to a Special Assessment or increase in Regular Assessment, or in the event at least fifty-one percent (51%) of the voting memberships in any Local Association shall determine at any duly constituted meeting of the Members to instruct their Delegate as to the manner in which he or she is to vote on any issue to be voted on by the Delegates, then the Delegate representing such Local Association shall cast all of the voting power in such Local Association in the same proportion, as nearly as possible without counting fractional votes, as the membership shall have voted "for" and "against" such issue. When a Delegate is voting in his or her own discretion without instruction from his/her Local Association, then such Delegate shall cast all of the votes which he/she represents as a unit and may not apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be conclusively presumed for all purposes that any Delegate casting votes on behalf of the Members of a Local Association will have acted with the authority and consent of all such Members. All agreements and determinations lawfully made by the Master Association and in accordance with the voting procedure established herein, and the Bylaws, shall be deemed to be binding on all Members, Owners, Declarant, and their respective heirs, successors and assigns.

- 7.5 Notwithstanding any of the foregoing, the Declarant, as the Class B Member of the Master Association and all Local Associations shall instruct the Declarant's Delegate to cast the Declarant's votes, as Declarant in its sole and absolute discretion, shall determine.
- 7.6 Selection of Delegate(s) for Phases. In the event that there shall not be created a Local Association for the operation of a Phase, the Delegate representing said Phase at the Master Association shall be elected by Owners (including Declarant) holding a majority of the voting power in the Phase. Said Phase and Delegate shall be treated the same as a Local Association and its corresponding Delegate as provided for in this Master Declaration.
- 7.7 Annual Meetings of Local Associations. There shall be an annual meeting of the Members of each Local Association at least ten (10) days but no more than sixty (60) days prior to every annual meeting of the Master Association. The first meeting of the Members in each Local Association, whether annual or special, shall be held within the first six (6) months following the close of the first sale of a Building Lot within such Phase; provided however, that the first meeting of any Local Association must occur prior to the first annual meeting of the Master Association. At the first meeting of the Members in such Local Association and at each subsequent annual meeting, such Members shall elect the Delegates to represent them. If a Local Association does not hold its annual meeting prior to the Master Association annual meeting and does not elect its Delegates, said Local Association shall not be entitled to vote at the Master Association annual meeting. Such Delegates shall continue to be Delegates for one (1) year or until their successors are elected, whichever is later, unless such Delegates are removed by a vote or written consent of a majority of the voting power in such Local Association. Such meeting shall be held within the Phase or at such other convenient location in or near the Phase as may be designated in the notice of

such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member within the Local Association no later than ten (10) days prior to the meeting by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Members having one-quarter (1/4) of the total voting power within such Local Association. A special meeting of the Members in any Local Association may be called at any reasonable time and place by written notice by the Delegates to the Master Association representing the Members in such Local Association, or by the Members in the Local Association having one-quarter (1/4) of the total votes within such Local Association or Phase, and delivered to all other Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken. The presence at any meeting, in person or by written proxy, of the Members entitled to vote at least twenty-five percent (25%) of the total votes within such Local Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty 30 days from the time the original meeting was called. The Members present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.

- 7.8 Management, Power, Duties and Restriction. Each Local Association shall be managed by a Board of Directors and officers, and shall have the same powers, duties and restrictions with respect to its Members or the property owned, managed or maintained by it contained in Section 6.12, including, without limitation, requiring Assessments, adopting rules and regulations, granting easements, licenses and rights-of-way, payment of expenses, taxes, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements, except as modified herein or as modified by a Supplemental Declaration. The Board may delegate all powers and duties, which it deems appropriate for the benefit of the Local Association. Local Associations shall assess all Assessments through the Master Association. Each Such Local Association shall certify to the Master Association the amount of such Assessments and charges for collection. The Local Association Board, Members, committee, officers, Declarant, or the manager, if any, shall be free of personal liability as to the Local Association in the same manner as described in Section 6.13.5 for the Master Association.

Article 8: Miscellaneous

- 8.1 A Violation of Covenants. Whenever there shall have been built on any Building Site a structure which is in violation of these Covenants and Conditions, such persons as are authorized by the Board of the Master Association shall have the right to enter upon the Building Site where the violation exists and to summarily abate and remove, at the expense of the Owners thereof, any erection, thing, or condition that may exist thereon contrary to the intent and meaning of the provisions hereof. The Association, its Board, agents, and assigns, shall not be deemed guilty of any manner of trespass for such entry, abatement, or

removal. The costs and expenses of such entry, abatement, and removal shall become a lien upon the Building Site upon the recording by the Master Association of a sworn statement with respect thereto in the Valley County Recorder's Office. In addition, if any person shall violate or threaten to violate any provisions of this Declaration, it shall be lawful for any Owner of property in the Subdivision or for the Association to initiate proceedings at law or in equity to enforce the provisions of this Declaration, to restrain the person violating or threatening to violate the terms of this Declaration, and to recover damages, actual and punitive, together with reasonable attorney's fees, for such violations.

- 8.2 Term. The Covenants and every provision hereof shall continue in full force and effect for a period of twenty-five (25) years from the date hereof, and shall thereafter be automatically renewed for successive ten (10) year periods unless and until terminated as provided in, Section 6.3 hereof.
- 8.3 Termination and Modification. To the extent set forth in Section 9.4, the Declarant may amend, modify or supplement this Declaration at any time during the term hereof. The Architectural Control Committee, was appointed, may amend the Covenants and Conditions hereof in accordance with Section 5.3. Otherwise, this Declaration and every provision hereof may only be terminated, extended, modified or amended, as to the whole of said Subdivision or any portion thereof, with the written consent of the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision; provided, however, that during the initial twenty-five (25) year term of these Covenants, no such termination, extension, modification or amendment shall be effective without the written approval of Declarant so long as the Declarant continues to own any ownership interest in Building Sites within the Subdivision. Such termination, extension, modification or amendment shall be immediately effective upon recording a proper instrument in writing, executed and acknowledged by such Owners (and/or by Declarant as provided herein) in the office of the Recorder of Valley County, Idaho.
- 8.4 Amendment. The Declarant may amend Article 2 to include additional land within the Subdivision covered by this Declaration so long as such land adjoins land contained within the Subdivision, and such land is owned by Declarant at the time of an amendment (for the purposes of this Section, land separated only by roads and waterways shall be deemed to "adjoin"). An amendment shall be effected upon Declarant recording a declaration describing the land to be included, setting forth such additional limitations, restrictions, covenants and conditions as are applicable to such land, and declaring that the land is to be held, sold, conveyed, encumbered, leased, occupied and improved subject to this Declaration, as amended.
- 8.5 Governmental Regulations and Laws. To the extent that the applicable county or other governmental regulations, rules, or codes and ordinances or laws are more restrictive in their allowable land utilization than these Covenants and Conditions, they shall supersede these Covenants and Conditions and govern at all times.
- 8.6 Assignments of Declarant's Rights and Duties. Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant to any person or

entity which will assume any or all of the duties of Declarant hereunder, and upon any such person or entity evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder. The term "Declarant" as used herein includes all such assignees and their heirs, successors and assigns. If at any time Declarant ceases to exist and has not made such an assignment, a successor Declarant may be appointed by the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision upon compliance with the requirements of Section 9.3.

- 8.7 No Waiver. All of the covenants and conditions, restrictions and reservations contained in this Declaration shall be construed together, but if it shall at any time be held that any one of said Covenants and Conditions, or any part thereof, is invalid, or for any reason becomes unenforceable, no other covenants and conditions, restrictions and reservations or any part thereof, shall be thereby affected or impaired.
- 8.8 Owner's Liability Subsequent to Sale. Upon the sale of Building Site, the Owner so selling shall not have any further liability for the obligations thereon which accrue against the Building Site sold after the date of the conveyance; provided, however, that nothing herein shall be construed so as to relieve an Owner of any Building Site from any liabilities or obligations incurred pursuant to these Covenants and Conditions prior to such sale. Furthermore, any such sale shall not enlarge or extend the time for commencement of construction upon a Building Site.
- 8.9 Personal Liability. No member of the Board or any committee of the Association or any officer of the Association, or the manager, if any, or member of the Architectural Control Committee or of Declarant, or any agent of Declarant, 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 of any act, omission, error or negligence of any such person or entity in the administration or performance of duties imposed by this Declaration (or any amendment hereof), provided that such person or entity has, upon the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.
- 8.10 Benefits and Burdens. The terms and provisions contained in this Declaration shall bind and inure to the benefit of the Declarant, the Owners and Occupants of all Building Sites located within the Subdivision, and their respective heirs, successors, personal representatives and assigns.
- 8.11 Notice. Unless the proposed recipient has provided notice of another address for mailing, all notices shall be in writing and hand delivered or mailed, if mailed, the notice shall be sent postage prepaid and shall be directed as follows: (1) to the address of the Building Site if improved, (2) if the Building Site is not improved to the address set forth in the purchase contract or purchase contract application, or (3) to the last known address of the

Owner. If intended for Declarant, to the address previously set forth herein. If to the Association to the designated address of the Association or the registered agent of the Association.

8.12 Context of Terms. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

8.13 Mortgage. The term "mortgage" as used herein shall include deeds of trust and trust deeds.

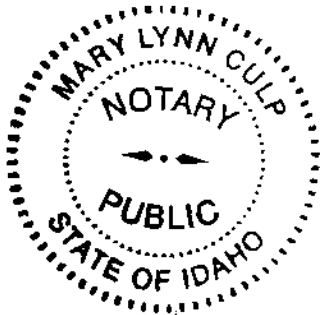
IN WITNESS WHEREOF, Declarant has executed this instrument this 25 day of 25, 2001.

L. B. INDUSTRIES, INC.

James K. Ball
By: James K. Ball
Its Vice President

State of IDAHO)
) ss.
County of Ada)

On this 26th day of July, 2001, before me, a Notary Public, in and for said State, personally appeared James K. Ball, known to be the Vice President of L. B. Industries, Inc., the corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.



Mary Lynn Culp
NOTARY PUBLIC
Residing at: Ada County
My Commission Expires: 11/03/06

EXHIBIT "A"

LEGAL DESCRIPTION

Lot 11 in SW $\frac{1}{4}$; Section 30, Township 18 North, Range 3 East, B.M., Valley County, Idaho.

Lot 1; SW $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$; excluding property in above described areas west of county road, Section 25, Township 18 N., Range 2 East, B.M., Valley County, Idaho.

A parcel of alluvion land, but not limited to said land, which is located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, Township 18 North, Range 2 East and in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 31, Township 18 North, Range 3 East, B.M., Valley County, Idaho, said land lies South of the South Section lines of said Section 25, Township 18 North, Range 2 East and said Section 31, Township 18 North, Range 3 East, but North of the high water mark of the North fork of the Payette River.

Lot 2; Lot 3; Lot 6; Lot 7; N $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$; excluding that property lying west of county road; Section 36, Township 18 N., Range 2 E., B.M., Valley County, Idaho.

Lot 2; Lot 3; Lot 4; Lot 5; Lot 8; Lot 9; S $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$; excluding that property lying west of county road; Section 1, Township 17 N., Range 2 E., B.M., Valley County, Idaho.

Lot 2; Lot 3; Lot 6; NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; excluding that property lying west of county road Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho;

SAVE and EXCEPT an irregular shaped parcel of land located in the South $\frac{1}{2}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho, lying South of the following described 60 foot wide Non-exclusive Easement, but North of the existing fence line which runs East-West approximately along the North boundary line of the South $\frac{1}{2}$ of the Southwest $\frac{1}{4}$, Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho.

SUBJECT TO a 60 foot wide non-exclusive Easement located in the S $\frac{1}{2}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho; which lies 30 feet on either side of the following described center line;

Beginning at a point on an existing fence line which is located approximately at the NW corner of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho; thence North 30 feet along the East boundary line of the county road right-of-way the Real Point of Beginning: Thence East 800 feet parallel with the existing fence line to a point, which fence line runs East-West, thence North 60 East a distance of 500 feet to a point; thence East 350 feet to a point; thence South 45 East to a point on the existing fence line which runs East-West approximately along the North line of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 12, Township 17 N., Range 2 E., B.M., Valley County, Idaho, which point is the end of the above described Easement.

After recording, mail to:

Instrument # 291284
VALLEY COUNTY, CASCADE, IDAHO
2005-01-06 04:25:49 No. of Pages: 5
Recorded for: FIRST AMERICAN TITLE
LELAND G. HEINRICH Fee: 15.00
Ex-Officio Recorder Deputy
Index to: ASSIGNMENT OF MORTGAGE

MC 5826

ASSIGNMENT AND ASSUMPTION OF DECLARANT RIGHTS

L. B. Industries, Inc., an Idaho corporation, as "Assignor," hereby grants, transfers, assigns, and conveys to Sage SGI, L.L.C., an Idaho limited liability company, as "Assignee" all of Assignor's rights as Declarant granted by the following instruments (collectively, the "CCRs"):

1. Blackhawk Ranch Phase I Declaration of Covenants, Conditions and Restrictions recorded November 6, 1996, as Instrument No. 222411, Official Records of Valley County, Idaho.
2. Blackhawk Ranch Phase II Declaration of Covenants, Conditions and Restrictions, recorded July 25, 2000, as Instrument No. 248632, Official Records of Valley County, Idaho.
3. Blackhawk Ranch Master Declaration of Covenants, Conditions and Restrictions recorded July 25, 2001, as Instrument No. 255796, Official Records of Valley County, Idaho.
4. Blackhawk Ranch Phase II Amended and Supplemental Declaration of Covenants, Conditions and Restrictions recorded July 25, 2001, as Instrument No. 255797, Official Records of Valley County, Idaho.
5. Phase III Supplement to Blackhawk Ranch Master Declaration of Covenants, Conditions and Restrictions, recorded July 25, 2001, as Instrument No. 255798, and re-recorded September 11, 2001, as Instrument No. 257000, Official Records of Valley County, Idaho.

Assignee hereby agrees to assume all obligations of Assignor under the CCRs from and after the Effective Date, as defined below, and agrees to indemnify Assignor from any and all liability arising on or after the Effective Date and attributable to the CCRs.

This Assignment is effective upon the closing of the purchase by Assignee of the Assignor's real property known as Blackhawk Ranch, located in Valley County, Idaho, as consummated by recordation of a deed thereto together with this Assignment in the official records of Valley County, Idaho (the "Effective Date").

Dated this 5th day of January, 2005.

ASSIGNOR:

L. B. Industries, Inc., an Idaho corporation

By: *Louora B Barnes*

Its: *President*

ASSIGNEE:

Sage SGI, L.L.C., an Idaho limited liability
company

By: _____

Its: _____

Dated this 5th day of January, 2005.

ASSIGNOR:

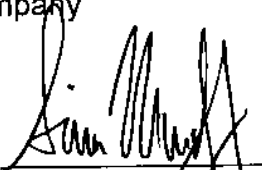
L. B. Industries, Inc., an Idaho corporation

By: _____

Its: _____

ASSIGNEE:

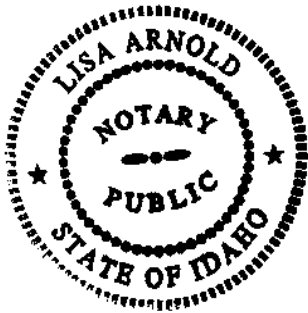
Sage SGI, L.L.C., an Idaho limited liability company

By:  _____

Its: *Manager* _____

STATE OF IDAHO)
) ss.
COUNTY OF Ada)

The foregoing Assignment and Assumption of Declarant Rights was acknowledged before me this 5th day of January, 2005, by Lenora B. Barnes in her capacity as President of L. B. Industries, Inc.



Lisa Arnold
Notary Public for Idaho
Residing at: Boise
My commission expires: 5-1-08

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing Assignment and Assumption of Declarant Rights was acknowledged before me this _____ day of January, 2005, by _____ in his capacity as _____ of Sage SGI, L.L.C.

Notary Public
Residing at: _____
My commission expires: _____

STATE OF IDAHO)
) ss.
COUNTY OF _____)

The foregoing Assignment and Assumption of Declarant Rights was acknowledged before me this 5th day of January, 2005, by Lenora B. Barnes in her capacity as President of L. B. Industries, Inc.

Notary Public for Idaho
Residing at: _____
My commission expires: _____

STATE OF Oregon)
) ss.
COUNTY OF Marion)

The foregoing Assignment and Assumption of Declarant Rights was acknowledged before me this 4th day of January, 2005, by Sima Muroff in his capacity as manager of Sage SGI, L.L.C.



Notary Public
Residing at: Salem
My commission expires: 2-27-07



After recording, mail to:

Instrument # 291284
VALLEY COUNTY, CASCADE, IDAHO
2005-01-06 04:25:49 No. of Pages: 5
Recorded for: FIRST AMERICAN TITLE
LELAND G. HEINRICH Fee: 15.00
Ex-Officio Recorder Deputy
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Dated this 5th day of January, 2005.

ASSIGNOR:

L. B. Industries, Inc., an Idaho corporation

By: *Lenora B. Barnes*

Its: *President*

ASSIGNEE:

Sage SGI, L.L.C., an Idaho limited liability
company

By: _____

Its: _____

Dated this 5th day of January, 2005.

ASSIGNOR:

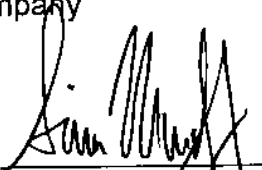
L. B. Industries, Inc., an Idaho corporation

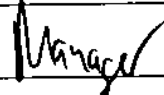
By: _____

Its: _____

ASSIGNEE:

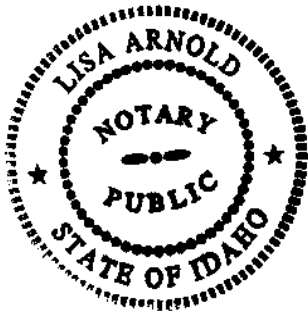
Sage SGI, L.L.C., an Idaho limited liability company

By:  _____

Its:  _____

STATE OF IDAHO)
) ss.
COUNTY OF Ada)

The foregoing Assignment and Assumption of Declarant Rights was acknowledged before me this 5th day of January, 2005, by Lenora B. Barnes in her capacity as President of L. B. Industries, Inc.



Lisa Arnold
Notary Public for Idaho
Residing at: Boise
My commission expires: 5-1-08

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing Assignment and Assumption of Declarant Rights was acknowledged before me this _____ day of January, 2005, by _____ in his capacity as _____ of Sage SGI, L.L.C.

Notary Public
Residing at: _____
My commission expires: _____

STATE OF IDAHO)
) ss.
COUNTY OF _____)

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Notary Public for Idaho
Residing at: _____
My commission expires: _____

STATE OF Oregon)
) ss.
COUNTY OF Marion)

The foregoing Assignment and Assumption of Declarant Rights was acknowledged before me this 4th day of January, 2005, by Sima Muroff in his capacity as manager of Sage SGI, L.L.C.



Notary Public
Residing at: Salem
My commission expires: 2-27-07



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MC 5826

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Dated this 5th day of January, 2005.

ASSIGNOR:

L. B. Industries, Inc., an Idaho corporation

By: *Lewora B Barnes*

Its: *President*

ASSIGNEE:

Sage SGI, L.L.C., an Idaho limited liability
company

By: _____

Its: _____

Dated this 5th day of January, 2005.

ASSIGNOR:

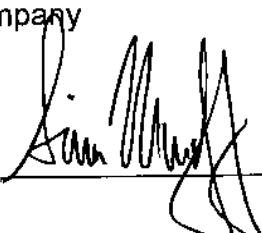
L. B. Industries, Inc., an Idaho corporation

By: _____

Its: _____

ASSIGNEE:

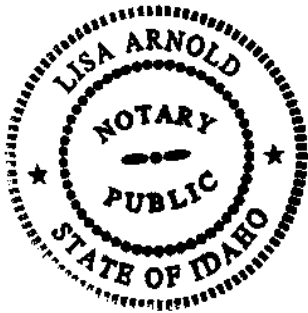
Sage SGI, L.L.C., an Idaho limited liability company

By:  _____

Its:  _____

STATE OF IDAHO)
) ss.
COUNTY OF Ada)

The foregoing Assignment and Assumption of Declarant Rights was acknowledged before me this 5th day of January, 2005, by Lenora B. Barnes in her capacity as President of L. B. Industries, Inc.



Lisa Arnold
Notary Public for Idaho
Residing at: Boise
My commission expires: 5-1-08

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing Assignment and Assumption of Declarant Rights was acknowledged before me this _____ day of January, 2005, by _____ in his capacity as _____ of Sage SGI, L.L.C.

Notary Public
Residing at: _____
My commission expires: _____

STATE OF IDAHO)
) ss.
COUNTY OF _____)

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Notary Public for Idaho
Residing at: _____
My commission expires: _____

STATE OF Oregon)
) ss.
COUNTY OF Marion)

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Notary Public
Residing at: Salem
My commission expires: 2-27-07



Instrument # 386272

VALLEY COUNTY, CASCADE, IDAHO

7-30-2014 04:07:56 PM No. of Pages: 64

Recorded for : ANNE SEASTROM

DOUGLAS A. MILLER

Ex-Officio Recorder Deputy

Index to: RESTRICTIVE COVENANT

Fee: 169.00

Katei Burben

**AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
BLACKHAWK RANCH PROPERTY
OWNER'S ASSOCIATION, INC.**

AMENDED AND RESTATED DECLARATION OF RESTRICTIVE COVENANTS (3/2014)

March 16, 2014

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BLACKHAWK RANCH

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BLACKHAWK RANCH is made this 16TH day of March, 2014, by Blackhawk Ranch Property Owners' Association, Inc., an Idaho nonprofit corporation ("**Declarant**").

Upon the recordation of this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Blackhawk Ranch, the following recorded documents shall be null, void and of no further force and/or effect:

Blackhawk Ranch Phase I Declaration of Covenants, Conditions and Restrictions, dated November 5, 1996, and recorded November 6, 1996, as Instrument No. 222411, official records of Valley County, Idaho.

Blackhawk Ranch Master Declaration of Covenants, Conditions and Restrictions, dated and recorded July 25, 2001, as Instrument No. 255796, official records of Valley County, Idaho.

Blackhawk Ranch Phase II Declaration of Covenants, Conditions and Restrictions dated July 23, 2000, recorded on July 25, 2000, as Instrument No. 248632, official records of Valley County, Idaho.

Blackhawk Ranch Phase II Amended and Supplemental Declaration of Covenants, Conditions and Restrictions, dated and recorded July 25, 2001, as Instrument No. 255797, official records of Valley County, Idaho.

Phase III Supplement to Blackhawk Ranch Master Declaration of Covenants, Conditions and Restrictions, dated and recorded July 25, 2001, as Instrument No. 255798; re-recorded to correct Scriveners error September 11, 2001, as Instrument No. 257000; and re-recorded January 4, 2002, as Instrument No. 259518, official records of Valley County, Idaho.

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EXHIBIT A Legal Description of Property

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ARTICLE 1: RECITALS

1.1 Property Covered. The property subject to this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Blackhawk Ranch, as the Declaration may be amended and/or supplemented from time to time, is the property legally described in Exhibit A, attached hereto and made a part hereof, which property consists of 62 residential platted Lots, together with private roads, Common Area, and easements, all as approved by Valley County, Idaho for residential development. The Property has been developed in three (3) development Phases. Each Phase and all property made subject to this Declaration shall be referred to as the "Property."

Owners have certain rights of use and access to that certain property identified in (1) the Grant of Easement and Declaration of Intent recorded on July 25, 2001 as Instrument No. 2555800, official records of Valley County, Idaho (2) the Amended Deed of Conservation Easement recorded on February 15, 2007, as Instrument No. 318487, official records of Valley County, Idaho, and (3) the Agreement dated March 13, 2007 among Declarant, Blackhawk Partners LLC, and certain other parties, all subject to the terms and conditions set forth therein, but this Declaration is not intended to affect any of the three foregoing documents described in this sentence.

1.2 Defined Terms. Capitalized and defined terms used in this Declaration are provided in Exhibit B, attached hereto and made a part hereof.

1.3 Residential Development. Blackhawk Ranch is presently developed as a residential use development in accordance with existing development approvals granted by Valley County, Idaho. The Property is developed for homes and Common Area. In furtherance of the development approvals, the following documents were prepared and recorded (collectively, the "Original Covenants"):

- (a) Blackhawk Ranch Phase I Declaration of Covenants, Conditions and Restrictions, dated November 5, 1996, and recorded November 6, 1996, as Instrument No. 222411, official records of Valley County, Idaho;
- (b) Blackhawk Ranch Master Declaration of Covenants, Conditions and Restrictions, dated and recorded July 25, 2001, as Instrument No. 255796, official records of Valley County, Idaho;
- (c) Blackhawk Ranch Phase II Declaration of Covenants, Conditions and Restrictions dated July 23, 2000, recorded on July 25, 2000, as Instrument No. 248632, official records of Valley County, Idaho;
- (d) Blackhawk Ranch Phase II Amended and Supplemental Declaration of Covenants, Conditions and Restrictions, dated and recorded July 25, 2001, as Instrument No. 255797, official records of Valley County, Idaho; and
- (e) Phase III Supplement to Blackhawk Ranch Master Declaration of Covenants, Conditions and Restrictions, dated and recorded July 25, 2001, as Instrument No. 255798; re- recorded to correct Scriveners error September 11, 2001, as Instrument No. 257000; and re- recorded January 4, 2002, as Instrument No. 259518, official records of Valley County, Idaho.

The original developer of Blackhawk Ranch and the declarant under the Original Covenants no longer owns any portion of or claims any interest in or to the Property. Accordingly, Declarant hereunder, representing all of the Owners of Lots in Blackhawk Ranch, is duly authorized to execute this Declaration and, upon recording of this Declaration in the official records of Valley County, Idaho, the Original Covenants are hereby superseded and voided in their entirety.

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1.4 Purpose of Declaration. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively, sometimes referred to herein as the "**Restrictions**") that apply to the entire development and use of any and all portions of the Property, and any other property annexed into Blackhawk Ranch, as provided further herein. The Restrictions are designed to: protect, enhance and preserve the value, amenities, desirability, and attractiveness of the Property; to ensure its natural values and scenic beauty are preserved; to ensure a well-integrated, high-quality development; and to guarantee adequate maintenance of Common Area in a cost effective and administratively efficient manner. Each Owner, by acceptance of a deed or other conveyance of title to a Lot or any portion of the Property, and/or by acceptance of a lease or other rental agreement in connection with any portion of the Property, hereby covenants, promises and agrees to be bound by and to comply in all respects with all provisions of this Declaration; the Project Documents, including, without limitation, the Articles and Bylaws; and all rules and regulations promulgated pursuant to any of the above.

ARTICLE 2: DECLARATION

Declarant hereby declares that the Property subjected to this Declaration, and each Lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms and Restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, and improvement of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms and Restrictions set forth herein: (a) shall run with the land constituting the Property, and with each estate therein, and shall be binding upon any Person having or acquiring any right, title or interest in the Property or any Lot, parcel or portion thereof; (b) shall be for the benefit of every Lot, parcel or portion of the Property and any interest therein; and (c) shall be for the benefit of and be binding upon Declarant, Declarant'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 Declarant, any grantee or grantee's successors, and/or any Owner or Owner's successors. In the event of any conflict between this Declaration and any other of the Project Documents, this Declaration shall control.

ARTICLE 3: GENERAL AND SPECIFIC RESTRICTIONS

3.1 Land Use and Building Type. Lots shall be used for residential purposes, except as provided for in section 3.8. Each Lot shall be limited to one (1) single-family residential structure. No Improvement shall be erected, altered, placed or permitted to remain on any Lot other than for residential or recreational purposes and is limited to a single outbuilding, such as a private garage, barn and other outbuildings incidental to residential use of the Lot. All Improvements constructed on any Lot shall be constructed with a substantial quantity of new materials, and no used residential structure shall be relocated or placed on any Lot. Except as described in Section 3.14, no trailer, motor or mobile home, basement, tent, shack, garage, barn or other outbuilding located or erected on a Lot covered by this Declaration shall at any time be used for private habitation, except that, for example, during the construction period for a residential structure on a given Lot, a recreational vehicle (camping trailer or motor home, mobile home, tent or other temporary building) may be used for temporary habitation of the Lot by the Owner and/or Occupants on a case-by-case basis as permitted in writing by the Architectural Control Committee. Blackhawk Ranch is intended to be a residential subdivision occupied by Owners or long-term tenants. Owners shall not be permitted to lease their residential structures, nor any portion thereof, for a period of less than six (6) months.

3.2 Improvements – Generally. No building or other structure shall be constructed, erected, or maintained on any Lot, nor shall any addition thereto or change or alteration therein be made unless it complies with applicable Valley County, Idaho, zoning ordinances and building codes. All Improvements are to be designed, constructed and used in such a manner as to promote compatibility between the

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types of uses contemplated by this Declaration and to maintain the Community-Wide Standard. Design and construction guidelines contained herein, and as promulgated by the Architectural Control Committee, govern the right of an Owner to construct, reconstruct, refinish, remove, add, alter or maintain any Improvement upon, under or above the Property, and to make or create any excavation or fill on such Owner's Lot. All Improvements by any Owner must be pre-approved in writing by the Architectural Control Committee prior to such Owner's construction or reconstruction, as the case may be. This Declaration is intended to serve as authority for the Architectural Control Committee to use its judgment to see that all Improvements conform and harmonize with external design, quality and type of construction, architectural character, materials, color, location on the Property, height, grade and finished ground elevation, natural conditions, landscape, and all aesthetic considerations as set forth in this Declaration. Once construction has commenced on any residential structure, such construction shall be prosecuted diligently to completion and shall be completed within 12 months of issuance of building permit unless an extension of such 12-month period is approved in writing by the Architectural Control Committee.

3.3 Exterior Maintenance; Owner's Obligation. No Improvement shall be permitted to fall into disrepair or to present a safety hazard to other Owners, 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 landscape, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or has the potential to damage, or damages property or facilities on or adjoining such Owner's Lot, the Association, upon 30 days' prior written notice to the Owner of such Lot, shall have the right to correct such condition, and to enter upon such Owner's Lot for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments as set forth herein. The Owner of the offending Lot shall be personally liable for the payment of such Limited Assessment, and such Owner's Lot may be subject to a lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due, if any. Each Owner shall pay all amounts due for such work within 10 days after receipt of written demand therefor, or the amounts may, at the option of the Board, be added to the amounts payable by such Owner as Regular Assessments.

3.4 Minimum Floor Area and Building Heights. No main residential structure shall be permitted on any Lot where the habitable floor area of which, exclusive of basements, porches and garages, is less than 1,200 square feet. No main residential structure shall be permitted to have more than two (2) above-ground floors. A daylight basement shall not generally be considered an above-ground floor. In the case of a 2-story above-ground structure, the first floor shall have no less than 800 square feet of the required 1,200 square feet of total habitable floor area. The maximum height of any building shall be in compliance with the Valley County zoning ordinances.

3.5 Fences. To maintain and preserve the natural beauty of land, no fence, wall, hedge or similar type barrier of any kind shall be constructed, erected or maintained on any Lot for any purpose whatsoever, except such fences, walls or barriers that are attached to the residential structure for privacy or enclosure of pets as may be approved by the Architectural Control Committee. In no case will chain link fencing, enclosures or barriers be approved. No lot-line fencing will be permitted on any Lot. Notwithstanding anything herein to the contrary, a fence constructed immediately adjacent to a swimming pool for the purpose of safety may be at a height required by applicable government agencies and/or the Owner's liability insurer(s). No fencing of any kind is allowed on any Common Area.

3.6 Signs. No signs of any kind shall be displayed to the public view on any part of the Property, except one sign of not more than two (2) square feet designating the Owner of any Lot, one sign of not more than six (6) square feet advertising the property for sale or rent, and except temporary signs used by Declarant, or its agent, to advertise property.

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3.7 House Numbers and Mailboxes. Each residence shall have a street address number placed at or near the Lot's driveway and street intersection to aid Valley County services in locating residences. Street number signage should be of materials in keeping with the residence's exterior design and materials. If the United States Postal Service (USPS) will provide mail delivery to individual Lots on the Property, individual Owners will be responsible for installing their own mailbox. Acceptable materials include stone and wood, and colors used should be reflective of the residence on the Lot and the greater Property in general. Each Owner will be responsible to flag their mailbox prior to each winter to minimize the chance of being damaged by a snowplow. Each Owner will be responsible for keeping snow cleared from the mailbox area so that the mail deliverer can drive up to the box.

3.8 Trade or Business. An Owner or Occupant of a Lot may conduct trade or business activity in or from such Owner's or Occupant's Lot so long as: (a) the trade or business activity conforms to all Valley County Planning and Zoning requirements for the Lot; (b) the existence or operation of the trade or business activity is not conducted outside the exterior of a residence or structure; (c) the activity does not increase vehicle traffic within the development; (d) the activity does not interfere with the quiet enjoyment of other Owners by sight, sound or smell from the exterior of the Owner's or Occupant's Lot; (e) the trade or business activity conforms to all zoning requirements for the Lot; (f) the trade or business activity does not increase the liability or casualty insurance obligation or premium of the Association; and (g) the trade or business activity is consistent with the Community-Wide Standard and does not constitute a nuisance or hazardous or offensive use, as may be determined in the sole discretion of the Board. The terms "business" and "trade", as used in this Section, shall be construed to have their ordinary generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether:

(a) such activity is engaged in full- or part-time; (b) such activity is intended to or does generate a profit; and/or (c) a license is required therefor.

3.9 Trees. Living trees, the trunk of which is four (4) inches or more in diameter, naturally existing upon a Lot, except to the extent necessary for construction purposes or fire protection, shall not be cut, trimmed or removed from the properties except as may be approved by the Architectural Control Committee.

3.10 Animals, Livestock and Poultry. No animals, livestock, birds, insects or poultry of any kind shall be raised, bred or kept on any portion of the Property. This Section is not intended to prohibit the keeping of typical household pets, which do not unreasonably bother or constitute a nuisance to others. Without limiting the generality of the foregoing, consistent and/or chronic barking by dogs or similar sounds by other household pets shall be considered a nuisance. Each dog or other similar household pet in Blackhawk Ranch shall be kept on a leash, curbed, and otherwise controlled at all times when such animal is off the Lot of its Owner and otherwise on the Property, and shall be kept in compliance with all applicable state and local laws and ordinances. Such Owner shall clean up and remove any animal defecation or other pet waste immediately from any Common Area or other areas outside of the Owner's Lot. Household pets must be kept within the boundaries of the Lot unless accompanied by and under the control of the Owner. Capturing, harassing, trapping, killing, or otherwise engaging in activities that threaten the protection of wildlife within the Property, except in circumstances posing an imminent threat to the safety of Persons and/or their pets is prohibited. All pet enclosures must be compatible with the main residential structure on the Lot, be attached to the main residential structure on the Lot, and receive prior written approval of the Architectural Control Committee. No horses shall be allowed on any Common Area.

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3.11 Garbage and Refuse Disposal and Nuisances. Each Lot Owner shall provide suitable receptacles for the temporary collection and storage of refuse on their Lot or building site, screened from public view and protected from disturbance. No rubbish, debris or materials of any kind shall be buried, burned, placed or otherwise permitted to accumulate anywhere upon the Property, including Common Area, Private Roads or Lots, and no odor or noise shall be permitted to arise from any portion of the Property so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the Property or to its Owners or Occupants, or to any other property in the vicinity thereof or to its owners or occupants. No unsightly articles shall be permitted to remain on any Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage, trash, equipment, gas canisters, propane gas tanks, barbecue equipment, heat pumps, compressors, containers, lumber, firewood, grass, shrub or tree clippings, metals, bulk material, and scrap shall be kept at all times in appropriate containers and/or such containers and in areas approved by the Architectural Control Committee and concealed from view of adjoining Owners. No noxious or offensive activity shall be carried on within Blackhawk Ranch, nor shall anything be done or permitted which will constitute a public nuisance therein; nor shall any firearms be discharged within Blackhawk Ranch. No activities shall be conducted on the Property, and no Improvements shall be constructed on the Property, that are or might be unsafe or hazardous to any Person or property. Notwithstanding the foregoing, the burning of slash (plant debris) may be conducted under the direction of the Owner but only when done in accordance with applicable local and/or county laws and ordinances. Nothing shall be done or kept on the Property and/or any Lot that will increase the rate of, or cancel, any insurance on any other portion of the Property without the approval of the Owner(s) of such other portion, nor shall anything be done or kept on the Property and/or any Lot that would result in the cancellation of insurance on any portion of the Property owned and/or managed by the Association or which would be in violation of any law. Firearms as used herein shall be construed to mean not only rifles, pistols and cannons, but also fireworks, explosives, air rifles, BB guns, bows and arrows, or similar devices.

3.12 Potable Water Supply System. Each Lot shall have a domestic well for residential use. Each domestic well shall be approved by all applicable governmental authorities having jurisdiction therefor, and shall be designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of such governmental authorities and the Architectural Control Committee. In the event of failure of any individual well on a Lot, and provided that a public water system becomes available, the Owner of such failed well shall pay all costs to and shall obtain service from the public water system.

3.13 Sewage Disposal. Each Lot shall have a septic system for residential use. Each septic system shall be approved by all applicable governmental authorities having jurisdiction therefor, and shall be designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of such governmental authorities and the Architectural Control Committee. In the event of failure of any septic system on a Lot, and provided that a public sewer system becomes available, the Owner of such failed septic system shall pay all costs to and shall obtain service from the public sewer system. If public sewer becomes available, residential structures then under construction or residential structures built after public sewer becomes available must make use thereof.

3.14 Parking. All single-family residential structures shall have an attached enclosed garage that holds at least one (1) vehicle and shall be constructed of the same materials and with similar colors and design as the residential structure. Garages shall not be used as living quarters; provided, however, additional living space may be constructed and occupied over or within a garage structure and so long as the entrance to such area is from within the existing residential structure; such additional living space shall not be considered to be part of the garage. Garages shall be used primarily for parking of vehicles and in no case shall a garage be used as storage such that no space is left for the parking of vehicles in the garage. Parking shall be accommodated on each Lot with no Owner parking of vehicles allowed on streets within

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Blackhawk Ranch, except in areas so designated for on-street parking by the Association. Each Lot shall provide at least a 1-car garage (3-car garage maximum) and the minimum of two (2) additional parking units. Each additional parking unit shall be located entirely within the Lot lines.

3.15 Antennas. Except as specified herein, antennas, satellite dishes, or other devices for the transmission or reception of television, radio or electric signals or any other form of electromagnetic radiation shall not be erected on the front yard of any Lot. Satellite or digital antenna dishes 18 inches in diameter or less may be attached to any part (front, back, or side) of a dwelling.

3.16 Energy Devices; Storage Tanks. No energy production devices including, without limitation, solar panels, solar collectors, and energy production devices such as generators of any kind shall be constructed or maintained on any portion of the Property without the prior written approval of the Architectural Control Committee. Any tank used in connection with any dwelling (e.g., for storage of gas, oil or water) and any type of refrigeration or heating apparatus must comply with local, state and federal law and be located underground or concealed from view of adjoining Owners by an appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee. Any type of heating and/or cooling units must comply with local, state and federal law and their placement and location must receive approval by the Architectural Control Committee.

3.17 Mining/Drilling. No portion of the Property shall be used for the purpose of blasting, mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, sand, gravel or earth. This Section shall not prohibit exploratory drilling or coring which is necessary to construct Improvements.

3.18 Grading. The Owner of any Lot within the Property in which grading or other work has been performed pursuant to a grading plan approved under applicable federal, state and/or local laws, ordinances and/or by the Architectural Control Committee, shall maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, means or devices which are not the responsibility of any public agency, and plantings and ground cover installed or completed thereon. Such requirements shall be subject to Limited Assessments as provided for herein. Each Owner assumes full responsibility, at such Owner's sole cost and expense, for such Owner's and/or any of such Owner's agents', employees' and/or independent contractors' compliance with the regulatory requirements of the applicable federal, state and local governments. Each Owner shall grade and drain such Owner's individual Lot (and maintain that grading and drainage) to prevent runoff or drainage of water onto any adjacent Lots or Common Area.

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

3.19.1 All on-street parking shall be limited to those specific areas where on-street parking is not expressly prohibited.

3.19.2 No commercial vehicles, motor homes, motor coaches, campers, trailers, snowmobiles, aircraft, boats, recreational vehicles, all-terrain vehicles, abandoned or inoperable vehicles (that is, any vehicle which has not been driven under its own propulsion for a period of seven (7) consecutive days or longer),

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oversized vehicles (that is, vehicles which are too high or too wide to clear the entrance of an approved garage door opening), dilapidated, or unrepaired and/or unsightly vehicles or similar equipment such as snow removal equipment, garden maintenance equipment and all other potentially unsightly equipment and machinery shall be placed upon any portion of the Property including, without limitation, streets, parking areas and driveways, unless the same are concealed from sight of any traffic along subdivision roads by appropriate fencing, enclosure or other year round screening that has been approved by the Architectural Control Committee. Any screened area must be located to the side yard or rear yard of a dwelling. No motor vehicle of any type, or part thereof, shall be permitted to remain on any building site, Lot or street in an exposed position and in an inoperative condition, for more than thirty (30) days in any calendar year.

3.19.3 Snowmobiles, ATVs, motorcycles, and other recreational vehicles and equipment (all generally referred to as "Recreational Equipment") shall not exceed 15 miles per hour while operating in Blackhawk Ranch. No Owner, tenant, invitee or other Person shall use Recreational Equipment anywhere within Blackhawk Ranch on any Lot or Common Area other than Private Roads for ingress/egress. The 15 miles per hour speed limit is intended to allow Recreational Equipment to be driven to and from Blackhawk Ranch on Private Roads for ingress and egress only and is not intended to allow recreational use within Blackhawk Ranch. All recreational use is intended to occur outside of Blackhawk Ranch.

3.19.4 No vehicle shall exceed the speed limit of 15 miles per hour in Blackhawk Ranch.

3.19.5 No commercial machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except such machinery or equipment that is usual and customary in connection with the development, maintenance or construction of a residence, appurtenant structures, or other Improvements.

3.20 Restriction on Further Subdivision. No Lot shall be further subdivided.

ARTICLE 4: ASSOCIATION

4.1 Organization of Association. The Association is organized as an Idaho nonprofit corporation under the provisions of the Idaho Code relating to nonprofit corporations and is charged with the duties and invested with the powers prescribed by law and set forth in the Articles and Bylaws of the Association and this Declaration. Neither the Articles nor the Bylaws of the Association shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

4.2 Members of Association. The Members shall all be Owners, and no Owner shall have more than one (1) membership in the Association, except as provided below. Memberships in the Association shall be appurtenant to the Lot or other portion of the Property owned by such Owner. The memberships in the Association may not be terminated and shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of an Owner's title in and to such Lot or other portion of the Property owned by such Owner, and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and shall not be reflected on the books of the Association.

4.3 Voting. The Association shall have one (1) class of membership consisting of all Owners. Members shall be entitled to one (1) vote for each Lot owned by such Owner. If a Lot is owned by multiple Owners, the vote for the Lot shall be exercised as the Owners thereof among themselves determine. When an Owner casts a vote, it will thereafter be presumed conclusive for all purposes that such Owner was acting with authority and consent of all joint Owners of the Lot from which the vote derived.

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4.4 Board of Directors and Officers. The affairs of the Association shall be conducted and managed by such officers as the Board may elect or appoint, in accordance with the Articles and Bylaws of the Association, as the same may be amended from time to time. The Board shall be comprised of a minimum of three (3) directors **and not more than five (5)** elected annually by the Members. The Board shall be comprised of Members elected or appointed in accordance with the Bylaws. The Association may exercise any right or privilege given to the Association expressly by this Declaration and the Project Documents, or as reasonably implied from or reasonably necessary to effectuate any such right or privilege.

4.5 Power and Duties of the Association.

4.5.1 Powers. The Association shall have all the powers of a nonprofit corporation organized under the nonprofit corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Project Documents, the Articles or the Bylaws, and the Board may perform any and all acts which may be necessary, proper, and/or incidental to the proper management and operation of the Association's business, Common Area and the Association's other assets, and the performance of the other responsibilities herein enumerated, including the following, without limitation:

4.5.1.1 Assessments. The power to levy Assessments on behalf of any Owner, or any portion of the Property, pursuant to the restrictions provided in this Declaration, and to enforce payment of such Assessments, all in accordance with the provisions of this Declaration. This power shall include, without limitation, the right of the Association to levy Assessments on any Owner or any portion of the Property to cover the operation and maintenance costs of the Common Area.

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

4.5.1.3 Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any Person to act as manager for the maintenance, repair, replacement and operation of any Common Area. The Board, Association or the Members of the Association shall not be liable for any omission or improper exercise by the manager of any such duty or power so delegated. All contracts for management of any Common Area shall be for a term not exceeding one (1) year, shall be terminable on 30 days' notice with or without cause, and shall be subject to review and approval by the Board.

4.5.1.4 Emergency Powers. The power, exercised by the Association or by any Person authorized by the Association, to enter upon any portion of the Property (but not inside any Improvement 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 of such portion of the Property as practicable, and any otherwise avoidable damage caused thereby shall be repaired by the Association.

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4.5.1.5 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, under and about the Common Area as may be necessary or appropriate for the orderly construction of Improvements, maintenance, preservation and enjoyment of the same, and for the preservation of the health, safety, convenience and the welfare of Owners including, without limitation:

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

4.5.1.5.2 Public or private sewers, septic systems, storm drains, water drains and pipes, water supply systems, sprinkling systems, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities.

4.5.1.6 Association Rules. The Board shall be the primary entity responsible for the promulgation of Association Rules, which shall require approval by a majority of Members, and enforcement of the Association Rules. The Association has the power to adopt, amend and repeal by majority vote of the Association such Association Rules and regulations as the Association deems reasonable. The Association may govern the use of the Common Area by Owners, their families, invitees, licensees, lessees, or contract purchasers, including, without limitation, the use of the Common Area for organized recreational activities; provided, however, that the Association Rules shall apply equally to all Owners and shall not be inconsistent with this Declaration. A copy of the Association Rules as they may from time to time be adopted, amended or repealed shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event such Association Rules are inconsistent with or less restrictive than any other provisions of this Declaration, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration to the extent of any such inconsistency. In the promulgation of such Association Rules, the Association shall have broad discretion and shall endeavor to maintain the Community-Wide Standard. In the event of any challenge to any Association Rule, the Association Rule shall be upheld unless it is found by clear and convincing evidence to be: (a) in express violation of the Declaration; (b) in express violation of federal, state or local government law; or (c) arbitrary, capricious, unreasonable and oppressive.

4.5.2 Duties. In addition to duties necessary and proper to carry out the power delegated to the Association by the Project Documents, without limiting the generality thereof, the Board or its agents, 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:

4.5.2.1 Operation and Maintenance of Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of Common Area, including the repair and replacement of property damaged or destroyed by casualty loss and including any signs placed at the entrances to, or otherwise in the vicinity of the Property. The Common Area cannot be mortgaged or conveyed without the approval of Owners of at least 2/3 of the total voting power in the Association;

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

4.5.2.3 Taxes and Assessments. Pay all real and personal property taxes and Assessments separately levied against Common Area, or against other portions of the Property owned by the Association. Such

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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 and/or local taxes, including income or corporate taxes levied against the Association;

4.5.2.4 Tax Returns. Timely file any and all tax return(s) with the appropriate governmental entity;

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

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

4.5.2.5.2 Comprehensive public liability insurance insuring the Board, the Association, and their agents and employees, invitees and guests of each of the foregoing against any liability incident to the ownership and/or use of Common Area. Limits on liability of such coverage shall be as follows: not less than \$1,000,000 per person and \$1,000,000 per occurrence with respect to personal injury or death, and \$1,000,000 per occurrence with respect to property damage;

4.5.2.5.3 Full coverage directors' and officers' liability insurance with a limit of at least \$250,000;

4.5.2.5.4 Such other insurance to the extent necessary to comply with all applicable laws, indemnity, faithful performance, fidelity and/or other bonds as the Board shall deem necessary or required to carry out the Association functions or to insure the Association against loss from malfeasance or dishonesty of any employee or other Person charged with the management or possession of the Association funds or other property;

4.5.2.5.5 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; and

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

4.5.2.6 Newsletter. If the Association so elects, prepare and distribute a newsletter and/or maintain a web site on matters of general interest to Association Members, the cost of which shall be included in Regular Assessments;

4.5.2.7 Architectural Control Committee. Appoint and remove members of the Architectural Control Committee, subject to the provisions of this Declaration; and

4.5.2.8 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably advised or necessary including, without limitation, the recordation of any claim of lien with the Valley County Recorder's Office, as more fully provided herein, to enforce any of the provisions of the Project Documents and any and all State or local laws, ordinances, rules and regulations.

4.6 Annual Meeting. The Association shall hold an annual meeting each year as provided in the Bylaws of the Association. Special meetings may be called as provided for in the Bylaws of the Association.

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Notice of annual or special meetings of the Association shall be delivered to all Members of the Association as provided in the Bylaws of the Association. All meetings shall be held within the Property or as close thereto as practicable at a reasonable place selected by the Board. All Members of the Association are encouraged to attend all annual and special meetings of the Association.

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

4.7.1 A **pro forma operating statement** or budget for each fiscal year of the Association shall be available for distribution not less than 60 days before the beginning of each fiscal year. The operating statement shall include a schedule of Assessments received and receivable; and

4.7.2 Within 90 days after the close of each fiscal year, the Association shall cause to be prepared and available to each Owner, a balance sheet as of the last day of the Association's fiscal year for the Association and annual operating statements reflecting the income and expenditures of the Association for their fiscal last year. Copies of the balance sheet and operating statement shall be available for distribution to each Member within 90 days after the end of each fiscal year. Costs incurred in preparing and distributing the annual operating statements shall be included in the Regular Assessments payable by the Owners.

4.8 Manager. The Association may employ or contract for the services of a professional manager or management company, provided that no such employment or contract shall have a term of more than one (1) year, and each such contract shall be subject to cancellation by the Association upon 30 days' notice, with or without cause, and without payment of a termination fee. The professional manager so employed or contracted with shall not have the authority to make expenditures chargeable against the Association except upon specific prior written approval and direction by the Board. The Board shall not be liable for any omission or improper exercise by such a professional manager of any such duty, power or function so delegated by or on behalf of the Board.

4.9 Personal Liability. No member of the Board, or member of any committee of the Association, or any officer of the Association, or the manager, if any, shall be personally liable to any Owner, or to any other party including, without limitation, the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Association, the Board, the manager, if any, or any officer, committee, or other representative or employee of the Association, or the Architectural Control Committee, 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 or gross negligence.

ARTICLE 5: COMMON AREA

5.1 General Restrictions Applicable to Common Areas and Common Facilities. The Common Areas shall be under ownership and control of the Association. The use of Common Areas shall at all times be subject to the rules, regulations and user charges, if any, prescribed by the Association in the Association Rules from time to time. The use of said Common Areas shall be subject to such easements and reservations of rights of the Association described herein. Only the Board or Architectural Control Committee may authorize any activity in Common Areas such as construction, excavation or other work which in any way alters any Common Area. There shall be no use of a Common Area which injures, erodes, or scars the same or the vegetation thereon, or increases the cost of maintenance thereof, or which involves use of Recreational Equipment. In any event, there shall be no use of a Common Area which causes unreasonable embarrassment, disturbance, or annoyance to Owners in the enjoyment of their Lots. Subject to this Declaration and the Association Rules, the following Persons shall have the exclusive right of use of all Common Areas:

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5.1.1 Members of the Association (Owners), their immediate families, guests and the tenants of such Members; and

5.1.2 Such other persons or entities as the Association shall from time to time grant the right of use.

5.2 Use of Common Area. Every Owner, unless expressly designated otherwise herein, shall have a right to use each parcel of Common Area subject to the conditions of this Declaration, which right shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

5.2.1 The right of the Association holding or controlling such Common Area to levy and increase Assessments for the construction, protection, maintenance, repair, management and operation of Improvements on Common Area, including the right to Special Assessments;

5.2.2 The right of the Association to suspend the voting rights and rights of use, or interest in, Common Area by an Owner for any period during which any Assessment or charge against such Owner's Lot remains unpaid;

5.2.3 The right of the Association to lease all or any part of Common Area to any public agency, authority or utility or other Person as provided further herein;

5.2.4 The right of the Association to prohibit the construction of Improvements on all Common Area;

5.2.5 The right of the Association to adopt rules regulating the use and enjoyment of the Common Area, including rules restricting use of the Common Area to Owners or Occupants of Lots and their tenants, employees, family, guests or invitees, and rules limiting the number of guests who may use the Common Area.

5.3 Delegation of Right to Use. Any Owner may delegate, in accordance with the Project Documents, such Owner's right of enjoyment to Common Area to the members of such Owner's family in residence and such Owner's tenants or contract purchasers.

5.4 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 tenant or contract purchaser, or such Owner's family or guests, both minor and adult. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against such Owner(s) Lot(s) and may be collected as provided herein for the collection of other Assessments.

ARTICLE 6: PRIVATE STREETS

All streets, roads and drives within the Property shall be private unless dedicated to the County or other governmental entity, in whole or in part, by a written declaration by the Association and accepted by the County or other governmental entity. Neither the County nor other governmental entity shall have responsibility for maintenance, repair or upkeep of any such streets, roads and drives unless, and to the extent, such responsibility is accepted in writing by the County or other governmental entity. The Association shall be solely responsible for the maintenance, repair and upkeep of such streets, roads and drives until they are dedicated to and accepted by the County or other governmental unit.

ARTICLE 7: ASSESSMENTS

7.1 Covenant to Pay Assessments. By acceptance of a deed to any Lot, each Owner of such Lot thereby covenants and agrees to pay when due all Assessments or charges made by the Association,

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including all Regular Assessments, Special Assessments and Limited Assessments and charges made against such Owner pursuant to the provision of this Declaration or other applicable Project Document. No Owner may exempt such Owner from liability for Assessments, by nonuse of Common Area, abandonment of such Owner's Lot, or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

7.2 Assessment Constitutes Lien. Assessments and charges together with late charge(s), interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a continuing lien upon the Property or any portion thereof against which each such Assessment or charge is made.

7.3 Assessment is Personal Obligation. Each Assessment, together with late charge(s), interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such property beginning with the time when the Assessment falls due. No Owner shall be exempt from such obligation by a waiver of the use and enjoyment of Common Area or by lease or abandonment of such Owner's Lot.

7.4 Uniform Rate of Assessment. All Assessments must be fixed at a uniform rate for each Lot that is not otherwise exempted from payment pursuant to the terms of the Section immediately below.

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

- . (a) All Common Area; and
- . (b) Any Property dedicated to and accepted by any governmental authority or public utility.

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

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

7.5.2 Computation of Regular Assessments. The Board shall compute the amount of its Expenses on a regular periodic basis. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with other entities for payment of Expenses. If the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Regular Assessment shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted expenses, including reserves. The Board may not raise the Regular Assessment more than fifteen percent (15%) per fiscal year. If an increase of more than fifteen percent (15%) is required to meet the budget requirements, the Board must either obtain a Majority vote of Members to increase the Regular

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Assessment, or the Board must revise the budget to keep the Regular Assessment at or below the fifteen percent (15%) increase. In determining the level of Assessments, the Board, in its discretion, may consider other sources of funds available to the Association.

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

(a) An amount computed by dividing the Association's total advance estimate of Expenses by the total number of Lots in the Property subject to this Declaration.

(b) In addition, upon any transfer of a Lot by an Owner to any purchaser, such Owner shall pay the Association a fee for the transfer of any Lot in an amount reasonably based on the costs to the Association in connection with the transfer.

7.6 Special Assessments.

7.6.1 Purpose and Procedure. In the event that the Board determines that the Regular Assessment for a given calendar fiscal year is or will be inadequate to meet the Expenses for any reason, including, without limitation, costs of construction, improvement, protection, maintenance, repair, management and operation of Improvements upon Common Area, attorneys' fees and/or litigation costs, other professional fees, or for any other reason, the Board shall determine the approximate amount necessary to defray such Expenses and levy a Special Assessment which shall be computed in the same manner as Regular Assessments. Special Assessments shall not exceed fifty percent (50%) of the Regular Assessment in any fiscal year unless the Special Assessment is put to an Association vote and the vote is passed by a Majority of Members. The Board shall, in its discretion, determine the schedule under which such Special Assessment shall be paid.

7.6.2 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 the Association.

7.7 Limited Assessments. Notwithstanding the above provisions with respect to Regular Assessments and Special Assessments, the Board may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/ or such Member's Lot into compliance with the provisions of this Declaration or the Project Documents or for damage caused by the Owner, or for any violation of Association Rules, or any of such Owner's family, representatives or invitees, to any Common Area or any other portion of the Property.

7.8 Notice and Assessment Due Date. Thirty (30) days' prior written notice of Regular Assessments and Special Assessments shall be sent by the Association to the Owner of every Lot subject thereto, and to any Person in possession of such Lot. The due dates for installment payments of Regular Assessments and Special Assessments shall be the first day of the month unless some other due date is established by the Board. Each installment of the Regular Assessment or Special Assessment shall become delinquent if not paid within thirty (30) days after the same is due. There may accrue, solely at the Board's discretion, on each delinquent installment payment a late charge equal to Default Rate multiplied by the delinquent installment. The Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Lot as more fully provided herein.

7.9 Estoppel Certificate. The Association, upon at least twenty (20) days' prior written request and upon

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payment of a reasonable charge therefor, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether, to the knowledge of the Association, a particular Owner is in default under the provisions of this Declaration, and further stating the dates through which any Assessments have been paid by such Owner.

ARTICLE 8: ENFORCEMENT OF ASSESSMENTS; LIENS

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

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

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

8.4 Method of Foreclosure. Such lien may be extinguished by appropriate action in any court of competent jurisdiction or as otherwise permitted by law.

8.5 Subordination to Certain Trust Deeds. The lien for the Assessments provided for herein in connection with a given Lot shall not be subordinate to the lien of any deed of trust or mortgage except the lien of a First Mortgage given and made in good faith and for value that is of record as an encumbrance against such Lot prior to the recordation of a claim of lien for the Assessments. Except as expressly provided in this Section, with respect to a first mortgagee who acquires title to a Lot, the sale or transfer of any Lot shall not affect the Assessment lien provided for herein, nor the creation thereof by the recordation of a claim lien, on account of the Assessments becoming due whether before, on, or after the

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date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent Assessments as provided for in this Declaration.

ARTICLE 9: INSPECTION OF ASSOCIATION'S BOOKS AND RECORDS

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

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

9.3 Director's Rights of Inspection. Every director of the Board of the Association shall have the absolute right at any reasonable time to inspect all books, records and documents of such Association, and the physical properties owned or controlled by such Association. The right of inspection by a director includes the right to make extracts and copies of documents.

ARTICLE 10: ARCHITECTURAL CONTROL COMMITTEE

10.1 Architectural Control Committee Creation; Right of Appointment. The Board shall appoint at least three (3) and no more than five (5) Persons to serve on the Architectural Control Committee, which Architectural Control Committee shall have exclusive jurisdiction over all construction on any portion of the Property. A member of the Architectural Control Committee need not be an Owner and may be a Director. Members of the Architectural Control Committee may be removed by the Board at any time with or without cause. The Architectural Control Committee shall meet from time to time as necessary to perform its duties hereunder. The actions of the Architectural Control Committee in the exercise of its discretion by its approval or disapproval of proposed Improvements on the Property shall be conclusive and binding on all interested parties.

10.2 Appointment of Architectural Control Committee Representative. The Architectural Control Committee may appoint in writing one (1) of its members to act as its designated representative (the "Committee Representative"). In the event a Committee Representative is appointed, it is intended that the Architectural Control Committee shall look to the Committee Representative to perform the functions of the entire Architectural Control Committee; provided, however, the Architectural Control Committee shall make all final determinations and decisions regarding all duties and obligations of the Architectural Control Committee. Any action or decision made by a majority of the members of the Architectural Control Committee shall be a binding decision of the entire Architectural Control Committee.

10.3 Improvements Generally. All building plans and specifications require approval by the Valley County Building Department. In addition, no Improvements which will be visible above ground or which will ultimately affect the visibility of any above ground Improvement shall be built, erected, placed or materially altered on or removed from the Property unless and until the building plans, specifications, and site plan have been reviewed in advance by the Architectural Control Committee, and the same have been approved in writing. The review and approval or disapproval may be based upon the following factors: design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color, materials (including mandatory roofing materials), physical or

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aesthetic impacts on other properties (including Common Area), artistic conformity to the terrain and the other Improvements on the Property, and any and all other factors in connection with the Community-Wide Standard that the Architectural Control Committee in its reasonable discretion, deem relevant. Exterior lighting, including flood lighting, must be fully shielded and the use of mercury and/or sodium vapor lights is prohibited. All lighting shall be part of the architectural concept of the Improvements on a Lot and must comply with any Valley County lighting ordinances. This Declaration is not intended to serve as authority for the Architectural Control Committee to control the interior layout or design of structures except to the extent incidentally necessitated by use, size and height restrictions.

10.4 Accessory Structures. No detached storage sheds shall be allowed on any Lot without the prior written consent of the Architectural Control Committee. No playhouses, playground equipment, or similar items shall be allowed without the prior written consent of the Architectural Control Committee. If so approved, provided that such equipment does not promote noise or other nuisance that is offensive or detrimental to other property in the vicinity of the Lot or offensive or detrimental to the Occupants of such other property.

10.5 Review of Proposed Construction. The Architectural Control Committee shall establish submittal and review procedures and fees and charges for plan review. The Architectural Control Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to this Declaration, and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress and at completion to assure its conformance with plans approved by the Architectural Control Committee. The Architectural Control Committee shall have the power to hire an architect, licensed with the State of Idaho, to assist the Architectural Control Committee in its review of proposals or plans and specifications submitted to the Architectural Control Committee. The Architectural Control Committee shall approve proposals or plans and specifications submitted for Architectural Control Committee approval only if the Architectural Control Committee deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Property as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, and that the upkeep and maintenance thereof will not become a burden on the Association.

10.6 Detailed Plans; Application Fees. The Architectural Control Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior material and colors. All plans, drawings and specifications submitted to the Architectural Control Committee shall be designed by an architect or design firm. Until receipt by the Architectural Control Committee of any required plans and specifications, the Architectural Control Committee may postpone review of any plan submitted for approval. The Architectural Control Committee may require a fee to accompany each application. The Architectural Control Committee shall determine the amount of such fee in a reasonable manner. Such fees shall be used to defray the costs and expenses of the Architectural Control Committee, including the cost and expense of hiring an architect or design firm and such fee shall be refundable to the extent not expended for the purposes herein stated.

10.7 Architectural Control Committee Decisions. Decisions of the Architectural Control Committee and the reasons therefor shall be transmitted by the Architectural Control Committee to the Applicant at the address set forth in the application for approval within 30 days after filing all materials required by the Architectural Control Committee. The Architectural Control Committee will convey written approval or disapproval to the Applicant in person or through the mail at the address set forth in the application for approval. Any materials submitted pursuant to this Article shall be deemed approved unless written disapproval by the Architectural Control Committee shall have been mailed to the Applicant within thirty (30) days after the date of filing said materials with the Architectural Control Committee.

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10.8 No Waiver of Future Approvals. The approval of the Architectural Control Committee of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Architectural Control Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.

10.9 Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon the completion of any work for which approved plans are required under this Article, the Owner shall give written notice of completion to the Architectural Control Committee.

(b) Within thirty (30) days thereafter, the Architectural Control Committee or its duly authorized representative may inspect such Improvement. If the Architectural Control Committee finds that such work was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such thirty (30) day period, specifying the particular noncompliance, and shall require the Owner to remedy the same.

(c) If upon the expiration of thirty (30) days from the date of such notification, or any longer time the Architectural Control Committee determines to be reasonable, the Owner shall have failed to remedy such noncompliance, the Architectural Control Committee shall notify the Board in writing of such failure. Upon notice and hearing, as provided in the Bylaws, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of the announcement of the Board ruling unless the Board specifies a longer time as reasonable. If the Owner does not comply with the Board ruling within such period, the Board, at its option, may either remove a noncomplying improvement or remedy the noncompliance, and the Owner shall reimburse the Association, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy a Limited Assessment against such Owner for reimbursement pursuant to this Declaration.

(d) If for any reason the Architectural Control Committee fails to notify the Owner of any noncompliance within sixty (60) days after receipt of the written notice of completion from the Owner, the work shall be deemed to be in accordance with the approved plans.

10.10 Non-Liability of Architectural Control Committee. Approval by the Architectural Control Committee shall not imply that Improvements meet any applicable federal, state and/or local laws and ordinances, and does not assure approval of the Improvements by any appropriate governmental or quasi-governmental agency, board or commission. Any applicant and/or Owner shall ensure that such Improvements meet any and all applicable federal, state and/or local laws and ordinances. Notwithstanding that the Architectural Control Committee has approved Improvements, plans and specifications, neither the Architectural Control Committee, nor any of their members shall be responsible or liable to the Association or to any Person or Owner with respect to any loss, liability, claim or expense which may arise by reason of such approval of the Improvements, unless due to the willful misconduct or bad faith of the Architectural Control Committee. Neither the Board nor the Architectural Control Committee, nor any agent thereof, shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance herewith, nor for any structural or other defects in any work done according to such plans and specifications. In any and all events, the Architectural Control Committee shall be defended, indemnified and held harmless by the Association in such suit or proceeding which may arise in connection with a decision by the Architectural Control Committee. The Association, however, shall not be obligated to defend, indemnify and hold harmless any member of the Architectural Control Committee, to the extent any such member of the Architectural

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Control Committee shall be adjudged to be liable for willful misconduct or bad faith in the performance of such member's duty as a member of the Architectural Control Committee unless and only to the extent that a court in which such action or suit may be brought shall determine that, in view of all circumstances of the case, such member is fairly and reasonably entitled to indemnification and defense for such expenses if such court shall deem it proper.

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

ARTICLE 11: EASEMENTS

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

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

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

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

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

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11.6 Easements of Access. Reciprocal easements of ingress and egress are hereby expressly reserved for the benefit of all of the Property for all Owners to, from, over, across and through their respective Lots for access, and installation and repair of utility services.

11.7 Drainage and Utility Easements. Every portion of the Property shall be burdened with easements for natural drainage of storm water runoff from other portions of the Property; provided, however, no Person shall alter the natural drainage so as to materially increase the drainage of storm water onto adjacent portions of the Property without the consent of the Owner of the affected portion of the Property. Owners are hereby restricted and enjoined from constructing or altering any Improvements upon any drainage and/or utility easement areas as shown on the Plat(s) or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for its intended purpose; provided, however, that any damage sustained to Improvements on the easement areas as a result of legitimate use of the easement area shall be the sole and exclusive obligation of the Owner of the Lot where Improvements were so damaged, or in the event the easement area where Improvements were so damaged is located in a Common Area, the Association shall be responsible for the damage sustained and may impose a Special Assessment therefor.

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

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

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

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

ARTICLE 12: DAMAGE OR DESTRUCTION

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

12.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage or destruction to any part of Common Area, the Association shall, unless such damage or destruction shall be minor, obtain an estimate (or estimates) that the Association deems reliable and complete of the costs of repair and reconstruction of that part of Common Area so damaged or destroyed. "Repair and

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reconstruction" as used in this Article shall mean restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

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

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

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

12.6 Decision Not to Rebuild. If Owners representing at least two-thirds (2/3) of the total votes of the Association agree in writing not to repair or reconstruct and no alternative improvements are authorized, then and in that event the damaged Common Area shall be restored to its natural state and maintained as an undeveloped portion of Common Area by the Association in a neat and attractive condition, and any remaining insurance proceeds shall be distributed in equal shares per Lot to Owners.

12.7 Damage or Destruction Affecting Lots. In the event of damage or destruction to the Improvements located on any of the Lots, the Owner thereof shall promptly repair and restore the damaged Improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within one-hundred-eighty (180) days from the date of such damage or destruction, or if repair or reconstruction is commenced but then abandoned for a period of more than ninety (90) days, then the Association may impose a fine of not less than fifty dollars (\$50) per day on the Owner of the Lot until repair and reconstruction is commenced, unless the Owner can prove to the reasonable satisfaction of the Association that such failure is due to circumstances beyond the Owner's control.

ARTICLE 13: CONDEMNATION

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

13.2 Condemnation; Distribution of Award; Reconstruction. The award made for such partial or complete taking shall be payable to the Association as trustee for all Owners to be disbursed as provided in this Section. If the taking involves a portion of Common Area on which Improvements have been

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constructed, then, unless within sixty (60) days after such taking Owners representing at least two-thirds (2/3) of the voting membership shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining Common Area to the extent Common Area is available therefor, in accordance with plans approved by the Board and the Architectural Control Committee. If such Improvements are to be repaired or restored, the provisions in the immediately preceding Article regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Lot to Owners.

ARTICLE 14: ENFORCEMENT OF COVENANTS

14.1 Remedies. In the event of any breach or other non-compliance with any provision of the Project Documents, then, after affording the breaching Person reasonable notice and an opportunity to be heard in accordance with the Bylaws, the Association may exercise any or all of the following remedies:

- . (a) Bring an action to recover monetary damages;
- . (b) Institute a proceeding in equity to obtain injunctive or other equitable relief;
- . (c) Suspend such Owner's voting rights, if any, and right to use the Common Area;
- . (d) Exclude such Owner's contractors, subcontractors, agents, employees, or other invitees from the Property;
- . (e) Impose reasonable fines against such Owner in the manner and amount the Board deems appropriate in response to the violation and assess the cost thereof against the Lot and collect it as a Limited Assessment;
- . (f) Enter the offending Lot; remove, abate, modify, or replace the item which is the cause of such violation in a manner that results in conformance with the Project Documents; and assess the cost thereof against the Lot and collect the same as a Limited Assessment, unless otherwise prohibited under this Declaration; or
- . (g) Exercise any other right or remedy available to the Association by law or in equity or under this Declaration.

14.2 Right of Owners. Any action to enforce the Project Documents may be instituted by the Board (or any manager retained by the Board) in the name and on behalf of the Association. If, after written request from an aggrieved Owner, none of the foregoing Persons commences an action to enforce the Project Documents within a reasonable period, then the aggrieved Owner may bring such an action independently.

14.3 Limitation of Liability. Reasonable and good faith exercise of the rights of entry set forth in this Article shall not subject the Association, the Architectural Control Committee, any other committee established under the Bylaws, or their respective officers, directors, members, managers, agents, employees, or contractors to any liability for trespass, conversion, or other claim for damages. The Association, the Architectural Control Committee, and any other committee established under the Bylaws, and their respective officers, directors, members, managers, agents, employees and contractors shall not be liable to any Owner or other Person for failure at any time to enforce any of the Project Documents.

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14.4 Recovery of Costs and Fees. In the event any suit or other proceeding is instituted to enforce any of the Project Documents, the prevailing party in such proceeding shall recover its costs and expenses incurred in connection therewith, as well as such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal or petition for review thereof.

14.5 Nonexclusiveness and Accumulation of Remedies. An election to pursue any remedy provided for violation of the Project Documents shall not prevent concurrent or subsequent exercise of other rights or remedies permitted thereunder. The remedies provided in this Declaration are not exclusive, but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law or in equity.

ARTICLE 15: RESOLUTIONS OF DISPUTES

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

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

15.2.1 Notice. The Claimant shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

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

15.2.2 Negotiation. Each Claimant and Respondent (the "Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in the Board's discretion the Board believes the Board's efforts will be beneficial to the Parties and to the welfare of Blackhawk Ranch, with costs to be borne by the Association.

15.2.3 Mediation. If the Parties do not resolve the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of

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Negotiations"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation under the auspices of Idaho law. If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, however, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

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

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

ARTICLE 16: MISCELLANEOUS

16.1 Term. The Restrictions of this Declaration shall run with the land comprising the Property and shall remain effective unless and until: (a) amended as hereinafter provided in the section immediately below, or (b) 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 Valley County, Idaho Recorder's Office.

16.2 Amendment. Except as provided in the Section immediately below, any amendment to any provision of this Declaration shall be by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying and attesting that such amendment has been approved by the vote or written consent of Members representing at least two-thirds (2/3) of the total voting power in the Association, except where a greater percentage is required by express provision in this Declaration, and such amendment shall be effective upon its recordation with the Valley County, Idaho Recorder's Office. Any amendment to this Article shall require the vote or written consent of Members representing ninety percent (90%) of the voting power of the Association. Any amendment of this Declaration approved in the manner specified above shall be binding on and effective as to all Owners and their respective Lots notwithstanding that such Owners may not have voted for or consented to such amendment. Such amendments may add to and increase the Restrictions applicable to the Property but shall not prohibit or unreasonably interfere with the allowed uses of such Owner's Lot(s) which existed prior to such amendment(s).

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

16.4 Registration of Mailing Address. Each Member shall register such Member's mailing address with the secretary of the Association from time to time, and notices or demands intended to be served upon or given to a Member shall be personally delivered to or sent by mail, postage prepaid, addressed in the name of the Member at such registered mailing address.

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16.5 Notice of Meetings. It shall be the duty of the Secretary to send a notice of each annual or special meeting of the Corporation, stating the purpose thereof as well as the day, hour and place where such meeting is to be held, to each Member of record at least twenty (20) but not more than sixty (60) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section 16.5, shall be considered notice served, after said notice has been deposited in a regular depository of the United States mail. If no address has been furnished to the Secretary, notice shall be deemed to have been given to a Member if posted on the Corporation's web site or in a conspicuous public place in McCall, Idaho. Likewise, if a Member has provided an e-mail address to the Corporation for correspondence, notice of annual and/or special meetings may also be sent to the e-mail address and be considered notice served.

16.6 Enforcement and Non-Waiver.

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

16.6.2 Violations and Nuisances. The failure of any Owner of a Lot to comply with any provision hereof, or with any provision of the Project Documents, is hereby declared a nuisance and will give rise to a cause of action in the Association or any Owner for recovery of damages, imposition of a penalty, or for negative or affirmative injunctive relief or both.

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

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

16.6.5 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.

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

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

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

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

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

16.8 Successors and Assigns. All references herein to Declarant, Owner, Members, Association or Person shall be construed to include all successors, assigns, partners and authorized agents of such Declarant, Owners, Members, Association or Person. Declarant hereunder is also the Association, and all of Declarant's rights and obligations hereunder shall be held and maintained by the Association or its successors.

16.9 Owners' Further Acknowledgments. By accepting a deed to any Lot(s) contained within the Property, each Owner acknowledges and agrees that such Owner has read and understands the Project Documents and that such Owner has accepted title to the Lot(s) after conducting all necessary inquiries and due diligence, and that Owner takes such Lot(s) "AS IS, WHERE IS," without any express or implied warranty from the Association.

16.10 Conflicts Between Documents. In case of conflict between this Declaration and the Articles or the Bylaws, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control. In case of conflict between this Declaration and Association Rules, this Declaration shall control.

(end of text)

(end of text)

AMENDED AND RESTATED DECLARATION OF RESTRICTIVE COVENANTS (3/2014)

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March 16, 2014

IN WITNESS WHEREOF, the undersigned being duly authorized have executed this Declaration effective this 21st day of June, 2014. The president and secretary of the Association hereby certify and attest that this Declaration has been approved by written consent of the Owners representing at least two-thirds (2/3) of the Lots in the Property.

DECLARANT:

BLACKHAWK RANCH PROPERTY OWNERS'
ASSOCIATION, INC., an Idaho nonprofit corporation

By: [Signature]
President

ASSOCIATION:

BLACKHAWK RANCH PROPERTY OWNERS'
ASSOCIATION, INC., an Idaho nonprofit corporation

By: [Signature]
President

By: [Signature]
Secretary

STATE OF IDAHO)

) ss.

County of Valley)

On this 23 day of July, 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared Dean Cromwell, known or identified to me to be the President of BLACKHAWK RANCH PROPERTY OWNERS' ASSOCIATION, INC., the corporation that executed the instrument, or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



Mary Beth Allen
Notary Public for Idaho

Residing at McCall, Valley Co.

My commission expires: 4-30-19

AMENDED AND RESTATED DECLARATION OF RESTRICTIVE COVENANTS (3/2014)

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March 16, 2014

Texas
STATE OF ~~IDAHO~~)

) ss.

County of Montgomery

On this 24th day of June, 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared Timothy J Eusterma, known or identified to me to be the President of BLACKHAWK RANCH PROPERTY OWNERS' ASSOCIATION, INC., the corporation that executed the instrument, or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



Michelle Hernandez

Notary Public for ~~Idaho~~ Texas

Residing at 8201 Kay Kendall Rd The Woodlands,
TX 77382

My commission expires: February 5, 2018

EXHIBIT A: LEGAL DESCRIPTION OF PROPERTY

All lots, blocks, streets, drives, roads and easements plotted as BLACKHAWK RANCH PHASE I, according to the Official Plat thereof filed in Book 8 of Plats at Page 83, and recorded November 1, 1996, as Instrument Number 221851, records of Valley County, Idaho.

All lots, blocks, streets, drives, roads and easements plotted as BLACKHAWK RANCH PHASE II, according to the Official Plat thereof filed in Book 9 of Plats at Page 16, and recorded July 25, 2000, as Instrument Number 248630, records of Valley County, Idaho.

All lots, blocks, streets, drives, roads and easements plotted as BLACKHAWK RANCH PHASE III, according to the Official Plat thereof filed in Book 9 of Plats at Page 25, and recorded July 25, 2001, as Instrument Number 255795, records of Valley County, Idaho.

EXHIBIT B: DEFINITIONS

"Architectural Control Committee" shall mean the Architectural Control Committee established by the Board pursuant to this Declaration.

"Articles" shall mean the Articles of Incorporation of the Association.

"Assessments" shall mean those payments required of Owners who are Association Members, including Regular Assessments, Special Assessments and Limited Assessments. The Association shall have the right to require assessments from Members.

"Association" shall mean and refer to Blackhawk Ranch Property Owners' Association, Inc., a nonprofit corporation organized under the laws of the State of Idaho, its successors and assigns, organized and established to exercise the powers and to carry out the duties set forth in this Declaration.

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

"Blackhawk Ranch" shall mean the Property.

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

"Bylaws" shall mean the Bylaws of the Association.

"Common Area" shall mean any or all parcels of Common Area designated on the Plat(s) and may include, without limitation, all such parcels that are designated as private roads or drives, parking areas or drives, common open space, park areas, common landscaped areas, storage facilities, mailboxes, recreational facilities, and other amenities and facilities located thereon. The Common Area may include easement and/or license rights.

"Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Property and Blackhawk Ranch. Such standard may be more specifically determined by the Board and/or the Architectural Control Committee.

"Conservation Area" or **"Conservation Easement"** shall mean that portion of the Property either described as such on a Plat or as described as such in a document recorded with the Valley County Recorder's Office. CONSERVATION AREAS ARE NOT COMMON AREA.

"County" shall mean Valley County, Idaho.

"Declarant" shall mean Blackhawk Ranch Property Owners' Association, Inc., an Idaho nonprofit corporation, or its successors in interest, or any Person to whom the rights of the Association under this Declaration are expressly transferred, in whole or in part.

"Declaration" shall mean this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Blackhawk Ranch as the Declaration may be amended and/or supplemented from time to time.

"Default Rate" shall mean interest at the rate of 2% over the prime rate, as quoted by the largest commercial bank in McCall, Idaho, as measured by assets held in Idaho.

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

"Improvements" shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed, placed upon or allowed on, under or over any portion of the Property, including, without limitation, residential structures, fences, streets, drives, driveways, sidewalks, paths, landscape, walls, hedges, plantings, trees, living and/or dead vegetation, rocks, signs, lights, mail boxes, electrical lines, pipes, pumps, ditches, recreational facilities, grading, road construction, utility improvements, removal of trees and other vegetation, and any new exterior construction or exterior improvement which may not be included in the foregoing. Improvement(s) includes both original Improvements existing on the Property on the date hereof and all later changes and Improvements thereto. Improvement does include both new construction and any subsequent exterior improvements.

"In Good Standing" shall mean any Owner who is up to date on all financial obligations and who is not currently in violation of any By-Laws or CC&R regulations.

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

"Lot" shall mean a lot within Blackhawk Ranch as specified or shown on the Plat upon which Improvements may be constructed. The term "Lot" shall not include any Common Area.

"Majority in Interest" shall mean 51% or more of the Members. □

"Member" shall mean each Owner holding a membership in the Association.

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

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

"Owner" shall mean the record owner, whether one or more Persons, holding fee simple interest of record to a 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.

"Person(s)" shall mean any individual, partnership, corporation, trust, estate or other legal entity.

"Phase" shall mean a defined portion of the Property which has been designated as a Phase by Plat.

Each Phase contains one or more Lots and shall be managed to the extent permitted herein.

"Plat(s)" shall mean any subdivision plat covering any portion of the Property as recorded in the Valley County Recorder's Office, Valley County, Idaho, as the same may be amended by duly recorded amendments thereof.

"Project Documents" shall mean the basic documents creating and governing the Property including, without limitation, this Declaration, Articles and Bylaws of the Association, Plats, Association Rules and any other procedures, rules or regulations under such documents established by the Association and/or the Architectural Control Committee.

"Property" shall mean the Property legally described in **Exhibit A** and Improvements thereon made subject to this Declaration, including, without limitation, each Lot, parcel and portion thereof and interest therein. The Property is sometimes referred to herein as **"Blackhawk Ranch."**

"Regular Assessment" shall mean the portion of the cost of designing, constructing, maintaining, improving, repairing, managing and/or operating all Common Area, including all Improvements located thereon, and the other costs and expenses incurred to conduct the business and affairs of the Association, which costs and assessments are levied against the Lot of each Owner by the Association, pursuant to the terms of this Declaration.

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

**AMENDED AND RESTATED
BYLAWS
OF
BLACKHAWK RANCH PROPERTY
OWNERS' ASSOCIATION, INC.**

March 16, 2014

**AMENDED AND RESTATED
BYLAWS OF BLACKHAWK RANCH
PROPERTY OWNERS' ASSOCIATION, INC.**

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Article I. GENERAL PLAN OF OWNERSHIP

Section 1.01 Name

The name of the corporation is BLACKHAWK RANCH PROPERTY OWNERS' ASSOCIATION, INC. (the "Corporation"). The principal office of the Corporation shall be located in Valley County, Idaho.

Section 1.02 Bylaws Applicability

The provisions of these Bylaws are applicable to Blackhawk Ranch Phase I, Blackhawk Ranch Phase II and Blackhawk Ranch Phase III (collectively, the "**Subdivision**"), the official plats of which are recorded in Valley County, Idaho, and which are generally provided for in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Blackhawk Ranch, dated _____, 2014, and recorded _____, 2014, as Instrument No. _____, Valley County, Idaho (the "**Declaration**") and any amendments and supplements to the Declaration recorded or to be recorded in the office of the County Recorder, Valley County, Idaho.

Section 1.03 Personal Application

All present and future Owners and their tenants, future tenants, employees, and any other person that might use the facilities owned and/or managed and/or maintained by the Corporation in any manner, are subject to the regulations set forth in these Bylaws, the Declaration and the Project Documents, as defined in the Declaration. The mere acquisition or rental of any of the Lots of the Subdivision or the mere act of occupancy of any of the Lots will signify that these Bylaws are accepted, ratified, and will be complied with.

Article II. VOTING, MAJORITY OF DELEGATES, QUORUM, PROXIES

Section 2.01 Voting

Each Member shall be entitled to one (1) vote for each Lot owned by such Member. If an Owner owns more than 10% of the total Lots or Residences in Blackhawk Ranch, their vote will not exceed 10% of the total number of available votes. If a Lot is owned by multiple Owners, the vote for the Lot shall be exercised as the Owners thereof among themselves determine. When an Owner casts a vote, it will thereafter be presumed conclusive for all purposes that such Owner was acting with authority and consent of all joint Owners of the Lot from which the vote derived. Owners of multiple Lots are limited to one (1) vote for each lot.

Section 2.02 Majority of Members

As used in these Bylaws, the term "Majority of Members" shall mean those Members representing fifty-one percent (51%) of the total voting power of the Membership in the Corporation.

Section 2.03 Quorum

Except as otherwise provided in these Bylaws, the Articles, or the Declaration, the presence in person, by proxy, or by telephone of the Members holding at least thirty percent (30%) of the total votes entitled to be cast shall constitute a quorum of the

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Membership for the transaction of business, and the acts of a simple Majority of Members present at a meeting of which a quorum is present shall be the acts of the

Corporation. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members during the meeting to leave less than a quorum.

Section 2.04 Proxies

Votes may be cast in person, by telephone, or by proxy. Proxies must be in writing and filed with the Secretary of the Corporation at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable at the pleasure of the Member who executed the proxy and shall automatically cease after completion of the meeting for which the proxy was filed, if filed for a particular meeting. In no event shall a proxy be valid after eleven (11) months from the date of such proxy's execution.

Article III. ADMINISTRATION

Section 3.01 Responsibilities

The Corporation shall have the responsibility of, without limitation: administering the Common Area owned and/or managed by the Corporation; approving the annual budget; establishing and collecting all Assessments; and may arrange for the management of the same pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the Manager, as defined below. Except as otherwise provided, decisions and resolutions of the Corporation shall require an affirmative vote of a simple Majority of Members present at an annual or special meeting of the Corporation at which a quorum is present or the written consent of a Majority of Members of the Corporation.

Section 3.02 Place of Meetings

Meetings of the Corporation shall be held in the Subdivision or such other suitable place as close to the Subdivision as practicable in Valley County as may be designated by the Board of Directors, and shall be conducted in accordance with Robert's Rules of Order.

Section 3.03 Annual Meetings

The annual meeting of the Corporation shall be held typically during the month of June of each year at such time and on such date as specified by the Board of Directors. At each annual meeting, members shall elect a Board of Directors in accordance with the requirements of these Bylaws. Directors shall be elected for a term of one (1) year beginning with each annual meeting. In the event that an annual meeting is not held, or the Directors are not elected thereat, the Directors may be elected at any special meeting held for that purpose. Each Director shall hold office until a successor has been elected or until death, resignation,

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removal or judicial adjudication of mental incompetence. The Members may also transact such other business of the Corporation as may properly come before them at any such annual meeting.

Section 3.04 Special Meetings

It shall be the duty of the President to call a special meeting of the Corporation as directed by resolution of the Board of Directors, or upon a petition signed by Members having not less than one-tenth (1/10) of the vote entitled to be cast at such meeting and having been presented to the Secretary. The notice of all regular and special meetings shall be given as provided in Section 3.05 of these Bylaws, and shall state the nature of the business to be undertaken. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of the Members holding at least four-fifths (4/5) of the voting Membership in the Corporation, either in person or by proxy.

Section 3.05 Notice of Meetings

It shall be the duty of the Secretary to send a notice of each annual or special meeting of the Corporation, stating the purpose thereof as well as the day, hour and place where such meeting is to be held, to each Member of record at least twenty (20) but not more than sixty (60) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section 3.05, shall be considered notice served, after said notice has been deposited in a regular depository of the United States mail. If no address has been furnished to the Secretary, notice shall be deemed to have been given to a Member if posted on the Corporation's web site or in a conspicuous public place in McCall, Idaho. Likewise, if a Member has provided an e-mail address to the Corporation for correspondence, notice of annual and/or special meetings may also be sent to the e-mail address and be considered notice served.

Section 3.06 Adjourned Meetings

If any meeting of the Corporation cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may 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 called, at which meeting the quorum requirement shall be the presence in person or by proxy of the voting Members holding at least twenty-five percent (25%) of the total votes entitled to be cast at such meeting. Such adjourned meetings may be held without notice thereof as provided in this Article 3, except that notices shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.

Section 3.07 Order of Business

The order of business at all meetings shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of

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committees; (f) election of Directors; (g) unfinished business; and (h) new business. Meetings shall be conducted by the officers of the Corporation in order of their priority.

Section 3.08 Action Without Meeting

Any action, which under the provisions of the Idaho Nonprofit Corporation Act may be taken at a meeting of the Corporation, may be taken without a meeting if authorized in writing signed by all of the Members who would be entitled to vote at a meeting for such purpose and filed with the Secretary.

Section 3.09 Consent of Absentees

The transactions of any meeting of the Corporation, either annual or special, however called and noticed, shall be as valid as though transacted at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if either before or after the meeting the Members not present in person, by telephone, or by proxy signed a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made part of the minutes of the meeting.

Section 3.10 Minutes, Presumption of Notice

Minutes or a similar record of the proceedings of meetings, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any meeting that notice of the meeting was properly given shall be conclusive and incontrovertible evidence that the notice of such meeting was given.

Article IV. BOARD OF DIRECTORS

Section 4.01 Number and Qualification

The business and affairs of the Corporation shall be governed and managed by a Board of Directors composed of at least three (3) persons and not more than five (5) persons, who must be Members of the Corporation (each a "Director" and collectively, "Directors"). Members shall designate the number of Directors elected to serve at each annual meeting of the Corporation. Directors shall not receive any salary or other compensation for their services as Directors; provided, however, that Directors may be reimbursed for reasonable expenses incurred on behalf of the Corporation, and nothing herein contained shall be construed to preclude any Director from serving the Corporation in some other capacity and receiving compensation therefor.

Section 4.02 Powers and Duties

The Board of Directors has the powers and duties necessary for the administration of the affairs of the Corporation, as more fully set forth in the Declaration, and the Project

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Documents, and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Owners.

Section 4.03 Special Powers and Duties

Without prejudice to such foregoing general powers and duties, and such powers and duties as set forth in the Declaration, the Board of Directors is vested with, and responsible to: select, appoint and remove all officers, agents, consultants and employees of the Corporation; to prescribe such powers and duties for them as may be consistent with law, with the Articles, the Declaration, the Project Documents and these Bylaws; to fix their compensation; and to require from them security for faithful service when deemed advisable by the Board of Directors.

Section 4.04 Books, Financial Statements and Audit

The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Corporation in a manner consistent with generally accepted accounting principles. An annual balance sheet and operating statement reflecting income and expenditures of the Corporation shall be distributed to each Member within ninety (90) days after the end of each fiscal year, and shall also be distributed to first mortgagees in connection with any Lot who have, in writing, requested a copy.

Section 4.05 Election and Term of Office

At each annual meeting of the Corporation, new Directors shall be elected by written ballot by a simple Majority of Members present at such meeting as provided in these Bylaws. The term of the Directors shall be for one (1) year. In the event that an annual meeting is not held, or the Directors are not elected thereat, the Directors may be elected at any special meeting held for that purpose. Each Director shall hold office until a successor has been elected or until death, resignation, removal or judicial adjudication of mental incompetence. Any person serving as a Director may be re-elected, and there shall be no limitation on the number of terms during which a Director may serve.

Section 4.06 Vacancies

Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director until a successor is elected at the next annual meeting, or at a special meeting called for that purpose. The Board shall notify Members that a vacancy exists and allow Members thirty (30) days to nominate themselves, if in good standing, or another Member in good standing, with their permission, for consideration. The Board shall elect a replacement Board Member from the list of nominees. In the event that no nominations are made, the Board may appoint a Member to the Board with that Member's approval. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental

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incompetence of any Director, or in the case the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place.

Section 4.07 Removal of Directors

At any regular or special meeting of the Corporation duly called, any one or more of the Directors may be removed with or without cause by a simple Majority of Members of such meeting and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. If any or all of the Directors are so removed, new Directors may be elected at the same meeting.

Section 4.08 Regular Meetings

Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a resolution adopted by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail (electronic or U.S.) or telephone, at least three (3) days prior to the day named for such meetings.

Section 4.09 Special Meetings

Special meetings of the Board of Directors may be called by the President or, if the President is absent or refuses to act, by the Vice President, or by any two (2) Directors. At least three (3) days notice shall be given to each Director, personally or by mail (electronic or U.S.) or telephone, which notice shall state the time, place (as herein above provided) and the purpose of the meeting. If served by mail, each such notice shall be sent, postage prepaid or electronically, to the address reflected on the records of the Corporation, and shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the third day after such notice is deposited in a regular depository of the United States mail or sent electronically as provided herein. Whenever any Director has been absent from any special meeting of the Board of Directors, a recitation in the minutes of the meeting that notice of the meeting was properly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given.

Section 4.10 Waiver of Notice

Before or at any meeting of the Board of Directors, any Director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be waiver of notice by that Director of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly

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held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present signs such a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Corporation or made a part of the minutes of the meeting.

Section 4.11 Quorum and Adjournment

Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum, present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. the Directors present shall adjourn the meeting. Any business scheduled to be transacted will be completed at the next Board of Directors meeting.

Section 4.12 Action Without Meeting

The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 4.13 Fidelity Bonds

The Board of Directors may require that all officers and employees of the Corporation handling or responsible for the Corporation funds shall furnish adequate fidelity bonds. The premium on such bonds, if required, shall be paid by the Corporation.

Section 4.14 Committees

The Board of Directors, by resolution, may from time to time designate such committees as the Board of Directors shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing a committee shall provide for: the appointment of such Committee's members (who may or may not be Directors or Members of the Corporation), as well as a chairperson; shall state the purpose of the committee; and shall provide for reports, termination, and other administration matters as deemed appropriate by the Board of Directors.

Article V. OFFICERS

Section 5.01 Designation

The principal officers of the Corporation shall be a President, a Secretary, and a

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Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint a Vice President, an Assistant Secretary, and such other officers as in the Board of Directors' judgment may be necessary. One person may hold two or more offices, except those offices of President and Secretary.

Section 5.02 Election of Officers

The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors, and each officer shall hold office at the pleasure of the Board of Directors until resignation or removal or disqualification to serve, or until a successor shall be elected and qualified to serve.

Section 5.03 Removal of Officers □ Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause, and a successor elected by the Majority of Members at any regular meeting of the Board of Directors, or any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board of Directors shall not be necessary to make it effective.

Section 5.04 President

The President shall be the chief executive officer of the Corporation. The President shall preside at all meetings of the Corporation and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit corporation to assist in the conduct of the affairs of the Corporation. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Corporation. The President shall review the books of the Corporation with the Treasurer at least annually. The President shall be ex officio a member of all standing committees, and the President shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5.05 Vice President

The Vice President, if so appointed, shall take the place of the President and perform such duties whenever the President shall be absent, disabled or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or these Bylaws.

Section 5.06 Secretary

The Secretary shall keep the minutes of all meetings of the Board of Directors and the

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minutes of all meetings of the Members at the principal office of the Corporation or such other place as the Board of Directors may order. The Secretary shall have charge of such books and papers as the Board of Directors may direct, and the Secretary shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members and of the Board of Directors required by these Bylaws to be given. The Secretary shall maintain a book of record Owners, and any person in possession of a Lot that is not an Owner, listing the names and addresses of the Owners, and any person in possession of a Lot that is not an Owner, as furnished to the Corporation and such book shall be changed only at such time as satisfactory evidence or a change in ownership of a Lot is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5.07 Treasurer

The Treasurer shall have responsibility for Corporation funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts of the Property owned by the Corporation, tax records and business transactions of the Corporation including accounts of all assets, liabilities, receipts and disbursements, all in books belonging to the Corporation. The Treasurer shall be responsible for deposit of all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall: disburse the funds of the Corporation as may be ordered by the Board of Directors in accordance with the Declaration; shall render to the President and Directors upon request an account of all transactions as Treasurer and of the financial condition of the Corporation; and shall have such powers and perform such other duties as may be prescribed by the Board of Directors. The Secretary of the Corporation shall assume the Treasurer's duties in the absence of a formally elected Treasurer.

Article VI. OBLIGATIONS OF OWNERS

Section 6.01 Assessments

(a) All Owners are obligated to pay, in accordance with the provisions of the Declaration, all Assessments imposed by the Association to meet all expenses of the Association, which may include, without limitation, insurance policy premiums for policies required under the Declaration or deemed to be reasonable and necessary by the Board of Directors. Except as otherwise provided in the Declaration, the Assessments shall be made equally per Lot for all Members of the Corporation.

(b) All delinquent Assessments shall be enforced, collected or foreclosed in the manner provided in the Declaration.

Section 6.02 Maintenance and Repair

(a) Every Owner must perform promptly, at the Owner's sole cost and expense, all maintenance and repair work on such Owner's Lot as required under the provisions of

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the Declaration. As further provided in the Declaration, all plans for alterations and repair of improvements in the Subdivision must receive the prior written consent of the Architectural Control Committee. The Architectural Control Committee shall establish reasonable procedures for the granting and denial of such approval in accordance with the Declaration.

(b) As further provided in the Declaration, each Owner shall reimburse the Corporation for any expenditures incurred in repairing or replacing any portion of Common Area owned or controlled by the Corporation which are damaged through the fault of the Owner, and each Owner shall promptly reimburse the Corporation for the costs of repairing, replacing and/or maintaining that portion of the Common Area which the Corporation has repaired, replaced or maintained pursuant to the Declaration. Such expenditures shall include all court costs and reasonable attorneys' fees and costs incurred in enforcing any provision of these Bylaws or the Declaration.

Article VII. AMENDMENTS TO BYLAWS

These Bylaws may be amended by the Corporation at an annual meeting or at a duly noticed special meeting of the Corporation for such purpose. No amendment to these Bylaws shall take effect unless approved by at least a simple Majority of Members or such other percentage as herein otherwise provided.

Article VIII. MEANING OF TERMS

Except as otherwise defined herein, all terms herein initially capitalized shall have the same meanings as are applied to such terms in the Declaration including, without limitation, "Articles", "Assessments", "Association", "Common Area", "Lot", "Member" and "Owner."

Article IX. CONFLICTING PROVISIONS

In case any of these Bylaws conflict with any provisions of the laws of the State of Idaho, such conflicting Bylaws shall be null and void upon final court determination to such effect, but all other Bylaws shall remain in full force and effect. In case of any conflict between the Articles of Incorporation of the Corporation and these Bylaws the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Article X. INDEMNIFICATION AND INSURANCE

Section 10.01 Certain Definitions For the purposes of this Article, "agent" means any person who is or was a Director, officer, employee, consultant or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, consultant or agent of another corporation, or was a Director, officer, employee, consultant or agent of a corporation which was a predecessor corporation of the Corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses"

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includes without limitation attorneys' fees and costs and any expenses of establishing a right to indemnification under Section 10.03 or paragraph (c) of Section 10.04.

Section 10.02 Indemnification

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of this Corporation to procure a judgment in its favor) by reasons of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal proceeding, that the person had reasonable cause to believe the conduct of such person was unlawful. However, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall deem proper.

Section 10.03 Expenses in Successful Defense

To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Section 10.02 or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 10.04 Determination of Standard of Conduct

Except as provided in Section 10.03, any indemnification under this Article shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 10.02, as determined by:

- (a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;
- (b) Approval or ratification by the affirmative vote of a Majority of Members entitled to vote represented at a duly held meeting of the Corporation at which a quorum is present

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or by the written consent of a Majority of Members entitled to vote. For purposes of determining the required quorum of any meeting of the Corporation called to approve or ratify indemnification of an agent and the vote or written consent required therefor, an agent who is a Member to be indemnified shall not be entitled to vote thereon;

(c) The court in which such proceeding is or was pending, upon application made by the Corporation or the agent or the attorney or other persons rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation; or

(d) Independent legal counsel in written opinion, engaged at the direction of a quorum of disinterested Directors.

Section 10.05 Advancing Expenses

Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount, if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in this Article.

Section 10.06 Extent and Limitations of Indemnifications

No indemnification or advance shall be made under this Article, except as provided in Section 10.03 or paragraph (c) of Section 10.04, in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the Articles, these Bylaws, a resolution of the Board of Directors or Members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

This Article shall create a right of indemnification for each agent referred to in this Article, whether or not the proceeding to which the indemnification relates arose in whole or in part prior to adoption of this Article; and in the event of the death of such agent, whether before or after initiation of such proceeding, such right shall extend to such agent's legal representatives. In addition, to the maximum extent permitted by applicable law, the right of indemnification hereby given shall not be exclusive of or otherwise affect any other rights such agent may have to indemnification, whether by law or under any contract, insurance policy or otherwise.

Section 10.07 Liability Insurance

The Corporation may purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such

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capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article.

Article XI. MISCELLANEOUS

Section 11.01 Checks, Drafts and Documents

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks or other depositories as the Board of Directors may select. All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board of Directors shall authorize to do so. Such authorization may be general or confined to specific instances.

Section 11.02 Execution of Documents

The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have the power or authority to bind the Corporation by any contract or engagement or to pledge the Corporation's credit or to render the Corporation liable for any purpose or in any amount.

Section 11.03 Inspection of Bylaws

The Corporation shall keep in the Corporation's office for the transaction of business the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during reasonable office hours, upon request.

Section 11.04 Fiscal Year

The fiscal year of the Corporation shall be determined by the Board of Directors, and having been so determined, is subject to change from time to time as the Board of Directors shall determine.

Section 11.05 Membership Book

The Corporation shall keep and maintain in the Corporation's office for the transaction of business a book containing the name and address of each Member. Termination or transfer of ownership of any Lot by an Owner shall be recorded in the books together with the date on which such ownership was transferred, and the new Owner shall be incorporated into the book in accordance with the provisions of the Declaration and the Articles of Incorporation of the Corporation.

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CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of Blackhawk Ranch Property Owners' Association, Inc., an Idaho nonprofit corporation; and
2. The foregoing Bylaws comprising fourteen (14) pages including this page constitute the Bylaws of Blackhawk Ranch Property Owners' Association, Inc. and were duly adopted by the Board of Directors pursuant to a meeting of the Board of Directors of Blackhawk Ranch Property Owners' Association, Inc. on the ____ day of _____, 2014.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and attest the act of the Corporation effective the ____ day of _____, 2014.

_____, Secretary

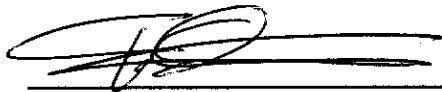
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2. The foregoing Bylaws comprising fourteen (14) pages including this page constitute the Bylaws of Blackhawk Ranch Property Owners' Association, Inc. and were duly adopted by the Board of Directors pursuant to a meeting of the Board of Directors of Blackhawk Ranch Property Owners' Association, Inc. on the 21st day of June, 2014.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and attest the act of the Corporation effective the 24th day of June, 2014.


_____, Secretary

TEXAS ORDINARY CERTIFICATE OF ACKNOWLEDGMENT
CIVIL PRACTICE & REMEDIES CODE § 121.007

The State of Texas

County of Montgomery }

Before me,

Michelle Hernandez

Name and Character of Notarizing Officer,
e.g., "John Smith, Notary Public"

on this day personally appeared

Timothy J Eusterman

Name of Signer

known to me

proved to me on the oath of

Name of Credible Witness

proved to me through

Texas Driver License

Description of Identity Card or Document

to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this

24th day of June, 2014.
Day Month Year

Michelle Hernandez
Signature of Notarizing Officer



Place Notary Seal and/or Stamp Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document:

Amended & Restated Bylaws of Blackhawk Ranch Property Owners Association, Inc.

Document Date: March 16, 2014

Number of Pages: 14 pages

Signer(s) Other Than Named Above: _____

**BLACKHAWK RANCH PHASE II
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

ARTICLE ONE

**1.0 Property Subject to this
Declaration of Protective Covenants**

1.1 L. B. Industries, Inc. ("Declarant"), an Idaho corporation having its principal place of business and mailing address located at P.O. Box 2797, 1401 Shoreline Drive, Boise, Idaho, 83701, is the Owner of all of that property within the subdivision named Blackhawk Ranch Phase III in Valley County, Idaho. The real property which is, and shall be conveyed, transformed, occupied, and sold subject to the covenants and conditions, restrictions, reservations and easements ("Covenants and Conditions") as set forth within the various clauses and covenants of this declaration is located in the County of Valley, State of Idaho, and is more particularly described as follows:

All blocks, lots, streets, drives, roads, and easements plotted as Blackhawk Ranch Phase II as recorded in the office of the County Recorder of Valley County, Idaho, on 7-25-00, as Instrument Number 248630 of the Official Records of Valley County, Idaho, at Book 9, Page 16 of Plats.

1.2 The title of these Covenants and Conditions is as follows:

Blackhawk Ranch Phase II Declaration of Covenants, Conditions and Restrictions.

ARTICLE TWO

2.0 General Purposes and Definitions

2.1 The real property described in Article One hereof is subject to the covenants and conditions, restrictions, reservations, and easements hereby declared to ensure the best use and the most appropriate development and improvement of each Building Site thereof; to protect the Owners of Building Sites against such improper use of surrounding Building Sites as will depreciate the value of their property; to preserve, so far as practical, the natural beauty of such property; to prevent the construction of improper or unsuitable Improvements; to encourage and secure the erection of attractive dwellings thereon; and in general to create and keep the Subdivision, insofar as possible, desirable, attractive, beneficial, and suitable in architectural design, materials and appearance; to guard against fires and unnecessary interference with the natural beauty of the Subdivision and to provide adequately for the improvement of said property; all for the mutual benefit and protection of the Owners of Lots and Building Sites in the Subdivision.

TYPE: Power
LELAND HEINRICH
VALLEY COUNTY RECORDER
BY: J. M. [Signature]
FEE: 87.00
RECORDED BY: Jan Bar
REQUESTED BY: Jan Bar

00 JUL 29 AM 10 29

248632

2.2 Blackhawk Ranch Master Plan was conceptually approved on May 13, 1999 by the issuance of Conditional use Permit (C.U.P.) Number 99-3 by Valley County Planning and Zoning.

2.3 As used herein the following words and terms shall have the following meanings.

2.3.1 "Architectural Control Committee" shall mean that certain committee initially established by the Declarant (and later maintained by the Association) to review and approve construction plans and plans for improvement of the Building Sites within the Subdivision.

2.3.2 "Blackhawk Ranch Phase II Property Owner's Association, Inc." (or other such similar name adopted to act as a property owner's association covering Blackhawk Ranch Phase II and any other subdivided/platted phases of Blackhawk Ranch; hereinafter such association may sometimes be referred to as the "Association") shall mean that certain property owner's association which shall be established at a later date by the Declarant as a non-profit corporation of which every Owner of property within the Subdivision (and the property owners within those other subdivided/platted phases of Blackhawk Ranch which are subject to these Covenants and Conditions) shall become a member immediately and automatically upon Declarant's establishment of the Association. The Declarant will create the Association at the time and according to the terms more completely provided herein. Prior to the creation of the Association by the Declarant, all rights granted to the Association by these Covenants and Conditions shall be reserved to and exercisable by Declarant.

2.3.3 "Building Site(s)" or "Sites" shall mean any contiguous plot of the Subdivision the size and dimensions of which shall be established by the legal description in the original conveyance from Declarant to the first fee Owner (other than Declarant) of said plot of the Subdivision. If two or more Lots, or portions of one or more Lots, as designated on the recorded Plat of Blackhawk Ranch Phase II or on any phase thereof, are contiguous and described in such original conveyance from Declarant to the first fee Owner, if so elected by such first fee Owner, such Lots or parts thereof shall be treated as a single Building Site for purposes of the Covenants and Conditions herein contained.

2.3.4 "Common Areas" shall mean and include collectively all real property or Out Lots within the Subdivision which are designated to be owned or are owned by the Association, including (without limitation) any real

property upon which Common Facilities are located or are intended to be located and any property designated and held by the Declarant for use as a Common Area and any property deeded by the Declarant to the Association for use as Common Area. The term "Common Area" shall not include any real property owned by or reserved for governmental entities.

- 2.3.5 "Common Facilities" shall mean the facilities developed by the Declarant or the Association for the general use of the Owners, their families and guests which is located, or to be located, within the Subdivision and any other facilities of a similar nature situated in the Subdivision which the Declarant has designated for future transfer to the Association or which the Association may from time to time own, lease, operate or otherwise control.
- 2.3.6 "Declarant" shall mean L. B. Industries, Inc. an Idaho corporation and its successors and assigns.
- 2.3.7 "Improvements(s)" shall mean structures and construction of any kind, whether above or below the land surface, such as, but not limited to, buildings, accessory buildings, water lines, sewers, electrical and gas distribution facilities, loading areas, parking areas, walkways, walls, fences, hedges, plantings and other landscaping, signs and external lighting.
- 2.3.8 "Lot" shall mean each lot reflected on the recorded plat of the Subdivision.
- 2.3.9 "Occupant" shall mean and include 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 Site or Sites whether or not such right is exercised as well as their heirs, assigns and successors in interest.
- 2.3.10 "Private Roads" shall mean all ingress and egress roadways within the Subdivision beginning and ending from the points of ingress and egress from West Mountain Road. All Subdivision Private Roads constitute Common Areas which will be held by the Declarant until deeded to the Association. Private Roads will not be provided County or State services such as snow removal and repairs and thus, after deed by Declarant to the Association, the Association will be required to provide all necessary services. Common Area Private Roads will be deeded to

the Association subject to an easement for access and use of said Private Roads being granted to any Owners of all or a portion of the property described below and Owners (including Declarant) of any portion of additional land subdivided by Declarant (or its successors or assigns), where such additional lands adjoin land covered by these Covenants and Conditions (for the purpose of this paragraph, land separated only by roads or water ways shall be deemed to "adjoin").

- 2.3.11 "Owner" or "Owners" shall mean the party or parties having any fee hold estate interest in any Building Site, excluding any person who holds such interest as security for the payment of an obligation, but including any mortgage, under deed of trust or other security holder in actual possession of any Building Site, as a result of foreclosure or otherwise, and any person taking title through such security holder, by purchase at foreclosure sale or otherwise.
- 2.3.12 "Out Building" shall mean an enclosed covered building to be used as a barn, garage or for other storage purposes not directly attached to the main structure which it serves.
- 2.3.13 "Out Lot" shall mean real property reserved by Declarant for open space, roadways, utilities or recreational facilities.
- 2.3.14 "Maid/Guest House" shall mean a residential structure for use as servant's quarters or guest quarters which is attached to the main residential structure.
- 2.3.15 "Single Family Residence" shall mean a single family residential building together with not more than one (1) Out Building.
- 2.3.16 "Subdivision" shall mean the land described in Article One. Declarant may, pursuant to the following provisions of this declaration, amend Article One to include all or any part of the land owned by it at the time of the amendment if the same is adjoining land (for the purpose of this paragraph, land separated only by roads or water ways shall be deemed to "adjoin"), or land included in a Master Plan submitted by Declarant which has or in the future receives approval by Valley County and which incorporates the land described in Article One.

ARTICLE THREE
3.0 Covenants and Conditions

3.1 Land Use and Building Type.

No Building Site shall be used except for residential purposes, and each Site shall be limited to one Single Family Residence. No building shall be erected, altered, placed, or permitted to remain on any Site other than for residential or recreational purposes or for a private garage, barn, and other Out Buildings incidental to residential use of the premises. All structures constructed on any Building Site shall be constructed with a substantial quantity of new materials and no used structure shall be relocated or placed on any Building Site. No trailer, motor or mobile home, basement, tent, shack, garage, barn, or other Out Building located or erected on a Building Site covered by these Covenants and Conditions shall at any time be used for private habitation, except in the following situations:

- (a) During the construction period for a given Building Site (which must be completed within twelve (12) months - see Section 3.12) a recreational vehicle (camping trailer or motor home) may be used for temporary habitation of the Building Site Owner and/or Occupants as approved on a case by case basis by the Architectural Control Committee.
- (b) After the construction of a Single Family Residence has been completed upon a Building Site, a recreational vehicle (camping trailer or motor home) may be used for temporary habitation by guests for consecutive periods not exceeding fourteen (14) days or nights. At the conclusion of such fourteen (14) consecutive day or night occupancy period, the recreational vehicle must be removed from the Building Site for at least fourteen (14) consecutive days.

No Building Site shall be used for any retail commercial or business purposes whatsoever. The Covenants and Conditions set forth within this Section 3.1 shall not apply to Declarant's or its agent's real estate sales office (if any), and the activities conducted in connection therewith.

3.2 Approval of Construction Plans.

- 3.2.1 No building or other structure shall be constructed, erected, or maintained on any Building Site, nor shall any addition thereto or change or alteration therein be made unless it complies with the Valley County, Idaho zoning ordinances in existence with respect to the property and until the complete plans and specifications (including, but not limited to, the floor, elevations, plot, grading, and landscaping plans); provisions for off-street parking; the specifications of principal exterior materials and color schemes; and the location, character and method of utilization of all utilities) have been submitted to the Architectural

Control Committee approved in writing, by the Architectural Control Committee. Each building or other structure shall be constructed, erected, and maintained in strict accordance with the approved plans and specifications.

3.2.2 The procedures dealing with the submission of plans to the Architectural Control Committee are set forth in Article Four.

3.3 Minimum Floor Area and Building Heights.

3.3.1 Single Family Residence - no main residence structure shall be permitted on any Building Site covered by these covenants, the habitable floor area of which, exclusive of basements, porches, and garages, is less than 1,200 square feet.

3.3.2 Single Family Residence - no main residence structure shall be permitted to have more than two (2) above ground floors (a daylight basement shall not generally be considered an above ground floor). In the case of a two (2) story (above ground) structure, the first floor shall have no less than 800 square feet of the required 1,200 square feet of total habitable floor area.

3.3.3 The maximum height of any building shall be in compliance with the Valley County zoning ordinances.

3.4 Set Back Requirements.

Some Building Sites have designated building envelopes as per the recorded Subdivision plat, if a building envelope is designated for a given Building Site, all Improvements must stay within the designated building envelope and construction must be conducted in ways which reasonably minimize disturbance to areas of the Building Site outside of the building envelope. Notwithstanding the foregoing, the specific location of such Improvements must also receive the advance approval of the Architectural Control Committee, as more completely described herein and all such Improvements shall conform to the Valley County zoning regulations then in effect.

3.5 Fences.

To maintain and preserve the natural beauty of land, no fence, wall, or similar type barrier of any kind shall be constructed, erected, or maintained on any Building Site for any purpose whatsoever, except such fences, walls, or barriers that are attached to the main structure for privacy or enclosure of pets as may be approved by the Architectural Control Committee (in no case will chain link fencing, enclosures or barriers, be approved). No lot line fencing will be permitted on any Building Site.

3.6 Signs.

No signs of any kind shall be displayed to the public view on any part of the property, except one sign of not more than two (2) square feet designating the Owner of any Building Site, one sign of not more than six (6) square feet advertising the property for sale or rent, and except temporary signs used by Declarant, or its agent, to advertise property in Blackhawk Ranch Phase II.

3.7 Easements.

Easements and rights-of-way as described on the recorded plat of Blackhawk Ranch Phase II have been reserved for poles, wires, pipes, and conduits for electricity, gas, telephones, sewer, drainage water, snow removal and other utility and road purposes together with the right of ingress and egress for further construction, maintenance and repair thereof as shown on the recorded plat of the Subdivision. Road rights-of-way and easements shown on the plat contain utility, easements, and easements for other purposes. No dwelling, Improvement, material, equipment, or refuse shall be placed on any part of said property within the area of easements reserved so as to interfere with the use thereof as reserved.

3.8 Garbage and Refuse Disposal.

- 3.8.1 No part of the Subdivision above or below ground shall be used or maintained as a dumping ground for refuse, trash, garbage, debris, or other waste. At all times the Subdivision shall be maintained in a sanitary condition.
- 3.8.2 All fish cleaning shall be performed at designated locations in the Common Areas or will be performed on the Owner's own Building Site. All debris and waste from fish cleaning will be properly disposed of in appropriate garbage containers. Under no circumstances will dead fish or fish parts be left on the ground or thrown into the water of the Subdivision ponds or streams or the Payette River.
- 3.8.3 Reasonable precaution shall be taken against fire hazards and no outdoor burning of any kind shall be permitted upon the Building Sites (except for cooking).
- 3.8.4 Each property Owner shall provide suitable receptacles for the temporary storage and collection of refuse on their Building Site and all such receptacles shall be screened from public view and protected from disturbance.
- 3.8.5 These restrictions also apply to contractors doing construction work.

3.8.6 Notwithstanding the foregoing, the burning of slash (plant debris) may be conducted under the direction of the Declarant or the Association, but only when done in accordance with applicable law.

3.9 Trees.

Living trees, the trunk of which is four (4) inches or more in diameter, naturally existing upon a Building Site, except to the extent necessary for construction purposes, shall not be cut, trimmed, or removed from the properties except as may be approved by the Architectural Control Committee.

3.10 Animals, Livestock and Poultry.

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the property for any commercial purpose. Household pets kept for personal or recreational purposes must be kept within the boundaries of the Building Site unless accompanied by and under the control of the Owner.

All pet enclosures must match the colors of the main structure on the Building Site, be attached to the main structure on the Building Site and receive the prior approval of the Architectural Control Committee.

Idaho Law prohibits dogs from disturbing or chasing wildlife. Fish and Game Policy allows for destruction of dogs in the pursuit of big game animals. Owners may be cited and fined. When dogs are out of their enclosures the Owner is responsible to keep them on a leash and for cleanup of animal waste in the Common Areas or other areas outside their Building Site.

3.11 Landscaping.

Declarant has set aside some natural areas and wetland areas as Common Areas, as designated on Declarant's Master Plan and Plat of the Subdivision. These areas are not to be destroyed.

In order to insure protection of the water quality of the Payette River, creeks and ponds in Common Area, and the natural environment, all natural surface areas disturbed by construction shall be returned promptly to their natural condition and replanted in native grasses and trees. All previously prepared Sites will be landscaped and completely planted in native grasses and trees. The Architectural Control Committee may approve limited construction of gardens, lawns, and exterior living areas. Well water shall be restricted to domestic use only (domestic use is deemed to include non-commercial use of water for human and animal consumption, cleaning, washing, sanitation systems and reasonable watering of houseplants and exterior gardens and lawns).

3.12 Continuity of Construction.

All structures commenced in this Subdivision shall be prosecuted diligently to completion and shall be completed within twelve (12) months of issuance of building permit unless approved in writing by the Architectural Control Committee.

3.13 Nuisance and Fire Arms.

No noxious or offensive activity shall be carried on within the Subdivision nor shall anything be done or permitted which will constitute a public nuisance therein; nor shall any fire arms be discharged within the Subdivision. Fire arms as used herein shall be construed to mean not only rifles, pistols and cannons, but also fireworks, explosives, air rifles, BB guns, or similar devices.

3.14 Sewage Disposal.

If public sewers become available, dwellings then under construction or subsequently to be built must make use thereof. Pending availability of public sewers, each dwelling must use a sanitary disposal system of a design and installation approved by Valley County, the Central District Health Department and the Idaho Department of Health and Welfare.

3.15 Parking.

3.15.1 Parking shall be accommodated on each Building Site with no Owner parking of vehicles allowed on Subdivision private or public streets, except in areas so designated for on street parking by the Declarant or the Association. Each Building Site shall provide at least a one-car garage (three-car garage maximum) and the minimum of two additional parking units. Each additional parking unit shall be located entirely within the Building Site lines.

3.15.2 Parking in Common Areas shall be limited to those locations designated as being available for parking. Parking in these areas shall be for temporary purposes incidental to the use of the Common Areas and Common Facilities. No overnight parking or overnight camping shall be permitted in the vehicles located in the Common Areas.

3.16 Trailers and Motor Vehicles.

No boats; trailers; campers; motor homes; commercial cars, trucks or vans; buses, or other portable vehicles, other than duly registered and licensed non-commercial cars, passenger

vans, and light duty trucks, shall be parked forward of any dwelling at any time during three consecutive days. Notwithstanding the foregoing sentence, commercial vehicles may not regularly be parked forward of any dwelling on a daily or other continuing basis (It is the intent of this provision to prohibit Owners or Occupants from regularly parking commercial vehicles on Building Sites. This Subdivision is residential and Owner or Occupant commercial vehicles should be garaged or otherwise concealed when parked on a Building Site). All boats, trailers, campers, motor homes, snowmobiles, All Terrain Vehicles, motorcycles and other motorized vehicles, if parked for a period exceeding 72 hours, must be concealed from sight of any traffic along Subdivision roads by appropriate fencing, enclosure or other year round screening. Any screened area must be located to the side yard or rear yard of a dwelling. No motor vehicle shall be constructed, reconstructed, or repaired upon the front or side yard of any Building Site or street; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or construction vehicles used in connection with the construction of any Improvement as approved by the Architectural Control Committee. No motor vehicle of any type, or part thereof, shall be permitted to remain on any Building Site or street in an exposed position and in a non-operative condition, for more than thirty (30) days in any calendar year. Any such vehicle or part thereof which does not display current or valid license plates and safety inspection stickers, as required by law, shall be deemed to be a "non-operating condition vehicle" and may be removed at the request of any Owner and at the expense of the Owner in violation, after a ten (10) day written notice has been provided. No motorized "off-the-road" vehicles shall be operated on any Building Site in a noisy or disturbing manner which would create a nuisance.

3.17 Snowmobiles, ATVs, Motorcycles, Etcetera.

Snowmobiles, ATVs, motorcycles, and other recreational vehicles and equipment (all generally referred to as "Recreational Equipment"), shall not exceed 15 mph while operating in the Subdivision. It is the intent of the Declarant not to allow high speed use of Recreational Equipment anywhere within the Subdivision (including their operation on Building Sites, Private Roads and Common Areas). The 15 mile per hour speed limited is intended to allow Recreational Equipment to be driven to and from the Subdivision but is not intended to allow recreational use within the Subdivision. All recreational use is intended to occur outside of the Subdivision.

3.18 Antennas.

Except as specified herein, antennas, satellite dishes, or other devices for the transmission or reception of television, radio or electric signals or any other form of electromagnetic radiation shall not be erected on the front yard of any Building Site. Notwithstanding the above, a television antenna may be attached to the side of a dwelling, if using a fireplace chimney for support; satellite dishes exceeding 18 inches in diameter shall be painted an earth tone color and shall be concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee; and satellite or digital antenna

dishes of 18 inches in diameter or less may be attached to any part (front, back, or side) of a dwelling.

3.19 Storage Tanks.

Any tank used in connection with any dwelling (e.g. for storage of gas, oil or water) and any type of refrigeration or heating apparatus must be located under ground or concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee.

3.20 House Numbers and Mailboxes.

Each dwelling shall have a street number discreetly placed at or near the street entrance to the Building Site. Mailboxes installed along the roads shall be of wood construction with a wood post in order to achieve a uniform appearance. Mailboxes shall be paid for by the Owner.

3.21 Fishery Management.

The Association shall establish fishery management procedures (including, but not limited to, stocking and harvesting procedures and fishing rules) as needed to protect the health and welfare of the fish habitat. In establishing fishery management procedures the, Association will endeavor to comply, where applicable, with the rules and regulations as established from time to time by Idaho Fish and Game. Owners and their guests shall be required to comply with the most current fishing rules published by the Association.

3.22 Water Quality.

The Association shall have the authority to adopt rules and regulations to ensure and to protect the natural beauty and water quality of the Payette River, creeks, and ponds where adjacent to the Subdivision.

3.23 Maintenance of Dams, Water Conveyance Systems and Water Quality.

The Association shall the authority to adopt rules and regulations to ensure and maintain the safety and function of the diversion dams and pumps that divert water in the creeks and ponds; the water conveyance systems leading into and out of Blackhawk Ranch Phase II; and the natural beauty and water quality of Blackhawk Ranch Phase II ponds and creeks.

3.24 General Restrictions Applicable to Common Areas and Common Facilities.

3.24.1 The Common Areas and Common Facilities shall be under ownership and control of the Declarant until the Declarant creates and deeds over the said Common

Areas and Common Facilities in Blackhawk Ranch Phase II. Declarant retains the right to create and deed over Common Areas and Common Facilities as it deems appropriate, but Declarant must deed all Common Areas and Common Facilities to the Association as of the date Declarant owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision.

3.24.2 Subject to the Association Rules, the following persons shall have the exclusive right of use of all Common Areas and Common Facilities:

- (a) Members of the Association (Owners), their immediate families, guests and the tenants of such members.
- (b) Declarant, its invitees, guests, tenants, employees and agents, and its successors and assigns, while Declarant, its successor or assigns are engaged in the development and/or sale of property within the Subdivision.
- (c) Such other persons or entities as the Association shall from time to time grant the right of use.

3.24.3 The use of Common Areas and Common Facilities shall at all times be subject to the rules, regulations and user charges, if any, prescribed by the Declarant from time to time (prior to the deeding of such Common Areas and Common Facilities to the Association) and thereafter, as prescribed by the Association from time to time.

3.24.4 The use of said Common Areas and Common Facilities shall be subject to such easements and reservations of rights of Declarant hereinafter described and made of record.

3.24.5 Only the Declarant (prior to title to the Common Area vesting in the Association) or the Association (after vesting of title) shall be permitted to engage in construction, excavation or other work which in any way alters any Common Area or Common Facility. Construction, excavation or other work shall only be made in strict compliance with provisions of Section 3.25.

3.24.6 Any portion of a Common Area may be developed by constructing thereon one or more additional recreational facilities by the Association.

3.24.7 There shall be no use of a Common Area or Common Facility which injures, erodes, or scars the same or the vegetation thereon, or increases the cost of maintenance thereof, unless expressly permitted by the Association and in any event, there shall be no use of a Common Area or Common Facility which causes

unreasonable embarrassment, disturbance, or annoyance to Owners in the enjoyment of their Building Sites.

3.25 Common Areas: Construction and Alteration of Improvements, etc.

After title to a Common Area is vested in the Association, no Improvement, excavation or work which in any way alters such Common Area from its state on the date such Common Area is so conveyed, shall be made or done except upon strict compliance with the following provisions of this section:

- 3.25.1 With the exception of the Declarant (prior to the time that the Association is vested with fee title to said Common Area), or a public utility or governmental agency (by right of easement), only the Association shall have the right to construct Improvements upon, or make any excavation or fill upon, or change the natural or existing drainage of, or destroy or remove any tree, shrub, or other vegetation, upon, or plant any tree, shrub or other vegetation upon any Common Area.
- 3.25.2 If the Association, or any entity under right of easement, proposes to construct a new Improvement or alter the exterior of an existing Improvement upon a Common Area, or to make any excavation or fill upon, or to change the natural or existing drainage of surface waters, upon a Common Area, it shall not do so until a permit has been obtained from the Architectural Control Committee. The Association, or entity proposing to do such work shall submit to the Architectural Control Committee for approval plans for such work in such form and containing such information as the Architectural Control Committee may require. The Architectural Control Committee shall approve the plans so submitted if the following conditions have been satisfied:
- (a) If the plans are to construct any new Improvement, including any alteration of the exterior of any existing Improvement, the Architectural Control Committee finds that such Improvement complies with these Covenants and Conditions; and
 - (b) That such work if under right of easement, (i) is reasonably necessary for any utility installations serving any property within the Subdivision or any property to be annexed to the Subdivision, or any property for which an easement has been reserved or granted by Declarant or (ii) is desirable in order to provide or improve access to or to enhance the use and enjoyment of any such property; or (iii) is desirable to protect or preserve any property within the Subdivision; and

- (c) The Architectural Control Committee finds that the proposed work shall not materially prejudice the Subdivision;

3.25.3 Without approval of the Architectural Control Committee, the Association may:

- (a) Construct, reconstruct, replace or refinish any Improvement or portion thereof upon Common Areas in accordance with the plans for such Improvement as they existed upon the Common Area when it was conveyed to the Association;
- (b) Replace destroyed trees or other vegetation with native plants, and, to the extent that the Association deems necessary; plant other native trees, shrubs, ground cover and other native vegetation;
- (c) Take whatever measures that may be necessary to prevent or retard the shifting or sliding of earth;
- (d) That such work does not violate Federal, State, an Local Government Agencies' Laws, Ordinances and Restrictions.

3.25.4 Without approval of the Architectural Control Committee, the Declarant may construct, reconstruct, replace or refinish any Improvement intended to be constructed on a Common Area, or any portion thereof, as a part of the development work of the Subdivision.

3.26 Mining/Oil Drilling.

No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon or in the Subdivision, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of the Subdivision or within five hundred (500) feet below the surface of the Subdivision. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted in the Subdivision.

3.27 Work in Progress.

The Architectural Control Committee or its representative may inspect all grading and construction work while such work is in progress and give notice of non-compliance when it believes that the provisions of this Declaration have not been complied with, and such person(s) shall not be deemed guilty of trespass by reason of such entry. If no notice of non-compliance

has been sent, then the Owner shall be deemed to be in compliance upon occupancy of the dwelling and related structure and other Improvements.

3.28 Machinery and Equipment.

No commercial machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Building Site within the Subdivision except such machinery or equipment that is usual and customary in connection with the development, maintenance or construction of a residence, appurtenant structures, or other Improvements within the Subdivision.

3.29 Restriction on Further Subdivision.

No Lot within the Subdivision shall be further subdivided or separated into smaller Lots or parcels by any Owner and no portion less than all of any such Lot shall be conveyed or transferred by any Owner. This provision shall not, in any way, limit Declarant from subdividing any portion of the Subdivision or Building Site owned by Declarant into multiple Lots or Building Sites. No portion of a Building Site but for the entire Building Site, together with the Improvements thereon, may be rented. The provisions of this section shall not apply to the division of any Lot or Building Site between adjoining Lots or Building Sites.

ARTICLE FOUR

4.0 Architectural Control Committee

4.1 There is hereby established an Architectural Control Committee (the "Committee"), whose members shall be appointed or removed by Declarant except as provided in Section 4.3. This Committee shall consist of three voting members.

4.2 The initial members of the Architectural Control Committee are:

<u>Name</u>	<u>Address</u>
Larry B. Barnes	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701
James K. Ball	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701

Each of said persons shall hold office until such time as they have resigned, have been removed, or their successor has been appointed.

4.3 The right to appoint and remove members of the Committee shall be vested in the board of Directors of the Association from and after the expiration of the eighteenth month following the date Declarant owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision, unless during such eighteen (18) month period, Declarant's percentage of ownership is increased to more than five percent (5%) of the Building Sites collectively within the Subdivision by reason of the annexation of property to the Subdivision pursuant to Article Six Section 6.4, in which event said eighteen (18) month period will not start to run until Declarant again owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision. Upon the right to appoint and remove members of the Committee being vested in the Board of Directors of the Association, the appointment and removal of members of the Committee shall be made by the Board of Directors of the Association in accordance with the By-Laws of the Association.

4.4 The Architectural Control Committee shall, in accordance with the procedures set forth in Article Three hereof, have the responsibility to interpret the Covenants and Conditions relating to the construction plans and plans for Improvements of the Building Sites, pursue approvals and certificates of compliance with the Covenants and Conditions and inspect and enforce the Covenants and Conditions. In addition, the Committee, when appointed solely by Declarant, shall have the right from time to time to amend any of the Covenants and Conditions set forth in Article Three, upon a two-thirds majority vote of its members, but no amendment to the Covenants and Conditions shall be applied retroactively to affect plans and specifications (as that term is defined in Section 4.5 hereof) previously approved by the Committee, or Improvements constructed or being constructed pursuant thereto.

4.5 No Improvements shall be constructed, erected, placed, altered, maintained or permitted on any Building Site until the design, and construction plans, specifications, Site plan and landscaping plan, and time schedule for completion of construction and landscaping (collectively hereinafter referred to as "plans and specifications"), in manner and form satisfactory to the Committee, have been submitted to and approved by the Committee. Such plans and specifications shall be submitted in writing over the signature of the Owner or his authorized agent.

4.6 Proposed plans and specifications must be submitted to the Architectural Control Committee along with a non-refundable fee of \$100.00. Plans and specifications must be prepared or approved by a State licensed architect prior to submission to the Architectural Control Committee. The initial sketch or concept drawing indicating floor plan, elevations, site and plot plan indicating all buildings, driveways, and attached fencing if required, should be approved by the Architectural Control Committee before Owners are committed to a large investment for detailed architectural drawings.

4.7 Approval shall be based, among other things, on the Covenants and Conditions, the adequacy of Building Site dimensions, conformity and harmony of external design with neighboring structures, effect of location and use of Improvements on neighboring Building Sites, operations and uses; relation to topography, grade, finished ground elevation and landscaping of the Building Site being improved to that of neighboring Building Sites; proper facing of main elevation with respect to nearby streets; and conformity of the plans and specifications to the purpose and general plan and intent of these Covenants and Conditions. The Committee shall not arbitrarily or unreasonably withhold its approval.

4.8 If the Committee fails either to approve or to disapprove such plans and specifications (including resubmission of disapproved plans and specifications which have been revised) within forty-five (45) days after the same have been submitted to it (provided that all required information has been submitted), it shall conclusively be presumed that said plans and specifications have been approved subject, however, to the Covenants and Conditions contained in Article Three hereof or as amended and of record as of the date of submission of such plans and specifications. Provided, however, that if within said initial forty-five (45) day period, Declarant gives written notice of the fact that an additional forty-five (45) day period is required for examination and review of such plans and specifications, there shall be no presumption that the same are approved until the expiration of the additional forty-five (45) day period of time as set forth in said notice. The Committee shall notify the Owner in writing upon receipt of all required plans and specifications and the aforesaid initial forty-five (45) day time period shall commence on the date of such notification.

4.9 Neither the Committee, its individual members, nor Declarant or their respective successors or assigns shall be liable in damages to any one submitting plans and specifications to them for approval, or to any Owner or Occupant of the Property affected by these Covenants, 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 any such plans and specifications. Every person who submits plans and specifications to the Committee for approval agrees, by submission of such plans and specifications, and every Owner or Occupant of any Building Site agrees, by acquiring title thereto or an interest therein, that he will not bring any action or suit against the Committee, its individual members, or Declarant to recover such damages.

ARTICLE FIVE

5.0 Property Owner's Association

5.1 Organization.

5.1.1 The Declarant shall organize and establish a non-profit homeowners' corporation by the time Declarant's ownership of Building Sites collectively then within the Subdivision is not more than five percent (5%). This non-profit corporation shall be designated the "Blackhawk Ranch Phase II Property Owners Association Inc." (or some

other similar entity name) and is generally referred to herein as the "Association". The Declarant shall release control over the Subdivision Architectural Control Committee and control and ownership of the Subdivision Common Areas and Common Facilities to the Association within eighteen (18) months following the date Declarant owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision (control may be transferred completely or on a case by case basis prior to the close of the eighteen (18) month deadline). Upon transfer of control from the Declarant, the Association shall then begin to exercise the powers and authority granted by these Covenants and Conditions (according to the Association's Bylaws and Articles of Incorporation).

5.1.2 The Declarant will set up a Foundation prior to the organization and establishment of the Association. The Foundation will collect "Maintenance Fees" until control over the Architectural Control Committee is transferred to the Association. The purpose of the Maintenance Fees shall be the maintenance of the roadways, planting areas within roadways, security, Common Areas, Common Facilities and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners. At the time Declarant transfers control to the Association, the Maintenance Fee funds then held by the Foundation shall also be transferred to the Association and the Association will then assume the Foundation's duty to oversee the maintenance of the Subdivision and the collection of Maintenance Fees. The Association will create and maintain a Maintenance Fee reserve fund in an amount which shall always be sufficient to maintain the purposes of the Association for at least a one year period.

5.1.3 Upon establishment by the Declarant, the Association shall be charged with the duties and empowered with the rights set forth herein and in its By-Laws. It shall be created by its Articles and its affairs shall be governed by its Articles and By-Laws and by these Covenants and Conditions.

5.1.4 In the event that the Association as a corporate entity is dissolved, a non-profit, unincorporated association shall forthwith and without further action or notice, be formed and succeed to all the assets, rights, privileges, duties, and obligations of the Association.

5.2 Membership.

5.2.1 Each Owner of a Building Site shall be a member of the Association:

5.2.2 If more than one person owns the Building Site giving rise to the appurtenant membership, all of said persons shall be deemed one membership and the membership shall be in the name of one designated individual. With respect to each Building Site, the Board of Directors (the "Board") shall at all times have the power to limit the number of persons (other than immediate family of the

designated member) who shall have the right to use the Common Areas and Common Facilities under any one membership.

5.2.3 The rights, duties, privileges and obligations of a member shall be in accordance with these Covenants and Conditions, the Articles and By-Laws.

5.2.4 In the event of the dissolution of the Association, upon the formation of an unincorporated association, each member of the Association shall be a member of the unincorporated association and shall have an underlying beneficial interest in all of the property transferred to or for the benefit of said unincorporated association; provided, however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such member acquiring any interest in said property, or any part thereof, seek any such judicial partition.

5.3 Purpose.

The purpose of the Association shall be the maintenance of roadways, traffic control, planting areas within roadways, security, Common Areas, Common Facilities and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners.

5.4 Voting Rights.

One vote for each Building Site owned. Every member entitled to vote at any election of the Board may cumulate his/her votes and give any candidate a number of votes equal to the number of votes which the member has, multiplied by the number of directors to be elected. The right to vote may not be severed from the property to which it relates and any sale, transfer or conveyance of fee title of the property to a new Owner, shall operate to transfer the appurtenant vote or votes to the grantee.

5.5 Duties of the Association.

5.5.1 The Association shall accept as members all persons described in Section 5.2 above.

5.5.2 Immediately prior to any dissolution of the Association as a corporate entity, the Association shall convey all property vested in it to an independent corporate trustee to hold same in trust for the unincorporated association to be formed for the benefit of the Members.

- 5.5.3 The Association shall maintain and operate any Common Areas and Common Facilities which it owns for the benefit of those entitled to use such facilities pursuant to these Covenants and Conditions.
- 5.5.4 The Association shall, at the expense of the Owner, provide for the maintenance of any Building Site or Improvement thereon which is not maintained by the Owner in accordance with the requirements of these Covenants and Conditions.
- 5.5.5 The Association shall pay all taxes and assessments levied upon any Association property.
- 5.5.6 The Association shall contract for or otherwise provide such services as required by majority vote of the membership.
- 5.5.7 At a minimum, the Association shall obtain and maintain in force the following policies of insurance:
- (a) Fire and extended coverage insurance on all property owned by the Association from time to time, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement value (exclusive of the cost of excavation, foundations and footings), of such improvements as determined by the Association.
 - (b) Bodily injury liability insurance with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000.00) per occurrence insuring against any and all liability with respect to its operations; and
 - (c) Property damage liability insurance with a deductible of not more than One Thousand Five Hundred Dollars (\$1,500.00) and a limit of not less than Five Hundred Thousand Dollars (\$500,000.00) per accident.
 - (d) Full coverage director's and officer's liability insurance with a minimum coverage limit of Two Hundred Fifty Thousand Dollars (\$250,000).

The above policies of liability insurance shall cover as insureds the Declarant, the Association, the Board, the Architectural Control Committee, the Owners of all Building Sites in the Subdivision, and their agents, representatives, members and employees. Each policy of insurance obtained by the Association shall expressly waive any and all rights of subrogation against Declarant, its agents, representatives, and employees, and any Owner.

- 5.5.8 The Association shall accept and act upon applications submitted to it for the development of additional Common Facilities.
- 5.5.9 The Association shall from time to time make, establish, promulgate, amend and repeal Association rules and establish user charges for Common Facilities.
- 5.5.10 After the control of the Architectural Control Committee is transferred from the Declarant to the Board of Directors of the Association, the Association shall appoint and remove members of the Architectural Control Committee and insure that at all reasonable times there is a duly constituted and appointed Architectural Control Committee.
- 5.5.11 The Association shall levy assessments upon all members of the Association and take such action as the Board deems to be required for the collection of assessments and user charges.
- 5.5.12 The Association shall take such actions, whether or not expressly authorized by these Covenants and Conditions, as may reasonably be necessary to implement and enforce these Covenants and Conditions, the Association rules and the Architectural Control Committee rules.
- 5.6 Powers and Authority of the Association or Foundation.

The Association shall have all of the powers set forth in its Articles of Incorporation, including the power to levy and collect assessments from all members hereinafter provided, together with its general powers as a non-profit corporation (subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws and in these Covenants and Conditions) to do all lawful things which may be required to be done by the Association under these Covenants and Conditions and to do all acts which may be necessary for or incidental to the exercise of any express power of the Association or for the peace, health, comfort, safety and/or general welfare of the members of the Association. Without in any way limiting the generality of the foregoing:

- 5.6.1 The Association shall have the power and authority at any time without liability to any Owner, to enter upon any Building Site for the purpose of enforcing these Covenants and Conditions, or for the purpose of maintaining any such Building Site, and any Improvements thereon, if for any reason whatsoever the Owner thereof fails to maintain such Building Site or any structure thereon as required under these Covenants and Conditions, and for the purpose of removing therefrom any improvement constructed or maintained on any Building Site contrary to the provisions of these Covenants and Conditions. The Association shall have the

power to commence and maintain actions to restrain and enjoin any breach or threatened breach of these Covenants and Conditions.

- 5.6.2 The Association, in fulfilling any of its duties, under these Covenants and Conditions, shall have the power and authority to:
- (a) Contract and pay for, or otherwise provide for, the maintenance, restoration and repair of all property which it owns from time to time, or leases from time to time when said lease provides that the Association shall be obligated to so maintain, restore and repair such leased property;
 - (b) Obtain, maintain, and pay for such insurance policies or bonds, as the Association shall deem to be appropriate for the protection or benefit of the Subdivision, the Association, the members of the Board, the members of the Architectural Control Committee, or the members of the Association, including, but without limitation, war risk insurance, boiler insurance, workmen's compensation insurance, malicious mischief insurance, automobile non-ownership insurance, and performance and fidelity bonds;
 - (c) Contract and pay for, or otherwise provide for, such utility services to property which it leases or owns, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services, as may from time to time be required;
 - (d) Contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants and such other professional and non-professional services as the Association deems necessary;
 - (e) Contract and pay for, or otherwise provide for, fire, police, and such other protection services as the Association shall from time to time deem necessary for the benefit of the Subdivision, any property located within the Subdivision, and Owners;
 - (f) Contract and pay for or otherwise provide for, such materials, supplies, furniture, equipment, and labor, as and to the extent the Association deems necessary; and
 - (g) Pay and discharge any and all liens from time to time placed or imposed upon property of the Association on account of any work done or performed by the Association in fulfillment of any of its duties;

- (h) Employ the services of a manager to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of Idaho and upon such conditions as are otherwise deemed advisable by the Association, the Association may delegate to the manager any of its powers under these Covenants and Conditions;
- (i) Contract for the operational management of any or all of the Common Facilities as it shall from time to time see fit.
- (j) Pay, compromise or contest any and all taxes and assessments levied against all or part of any property belonging to the Association;
- (k) Subject to the provisions of these Covenants and Conditions adopt, amend and repeal rules and regulations to be known as "Associated Rules" governing, among other things:
 - (i) The use of the Common Areas and Common Facilities;
 - (ii) The use of Association property;
 - (iii) The collection and disposal of refuse;
 - (iv) The burning of open fires;
 - (v) The keeping and maintenance of animals within the Subdivision; and
 - (vi) Other activities in the Subdivision which would adversely effect the peace and enjoyment of residents in the Subdivision.
- (l) Grant concessions and/or leases and approve subleases, with respect to any of the Common Facilities;
- (m) Establish and collect reasonable user charges for any Common Area or Common Facility which it owns.
- (n) Establish and collect reasonable assessments to cover the expenses and obligations of the Association and to charge interest, after the due date for such assessments, at a rate of up to the maximum rate provided by law or 18% per annum (whichever is less), and to seek enforcement of the duty to pay such assessments as set forth in Section 5.7.

5.7 Lien for Assessments.

- 5.7.1 If any Building Site Owner shall fail or refuse to make any such payment of dues and assessment when due, the amount thereof shall constitute a lien on the Building Site as set forth in the deed of conveyance to the Owner, and upon the recording of notice thereof by the Association in the office of the Valley County Recorder, such lien shall be constituted upon such Owner's interest prior to all other liens and encumbrances, recorded or unrecorded, except only (a) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this state and any other state or federal taxes which by law are a lien on the interest of such Building Site Owner prior to pre-existing recorded encumbrances thereon, and (b) all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance.
- 5.7.2 The Association shall send a notice, postage prepaid, to any such encumbrancer whose encumbrance was recorded prior to the time of recording the notice of lien provided for in this section, at the address shown in the recorded encumbrance; provided that if such encumbrancer has furnished the Association with another address, then such other address shall be used, and said Association shall not foreclose its said lien until at least thirty (30) days after the date of depositing such notice in the United States mails, postage prepaid, to the address of such encumbrancer.
- Any encumbrancer holding a lien on a Building Site may pay any common expenses payable with respect to such Building Site, and, if so provided in an encumbrance, may add the amount of such payment to the unpaid balance secured by his lien, and such added amount shall have the same priority and lien rights as the unpaid balance to which added.
- 5.7.3 The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Building Site Owners, and may be foreclosed by an action brought in the name of the Association in a like manner as a mortgagee of real property. In any such foreclosure the Owner shall be required to pay the amount of the assessment and accrued interest, any subsequent encumbrances listed in Section 5.7.2, the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien, and all reasonable attorney fees. The Owners shall also be required to pay the Association all assessments for the Building Site during the period of foreclosure, and the Association shall be entitled to a Receiver to collect the same. The Association shall have the power to bid in the interest so foreclosed at foreclosure sale and to acquire and hold, lease,

mortgage and convey the same; and to subrogate so much of its rights to such lien as may be necessary to expedient to an insurance company which will continue to give total coverage in spite of nonpayment of such defaulting Owner's portion of the premium.

5.7.4 The Association and its officers and directors, shall not be liable or accountable in damages for any action taken pursuant to the provisions of this Declaration.

5.8 Certificate of Assessments.

Upon payment of a reasonable fee, as established by the Association and upon the written request of any Owner, mortgagee, prospective grantee or prospective mortgagee, of a Building Site, the Association – by its financial officer, shall issue a written Certificate setting forth the amount of unpaid common expenses, if any, with respect to the subject Building Site; the amount of the current assessment and the date upon which such assessment becomes due; and credit for advanced payments or for prepaid items (including, but not limited to, insurance premiums). Such Certificate shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a Certificate of Assessments be complied with within ten (10) days of the receipt of the request, then (a) in the case of a request by a mortgagee or prospective mortgagee, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien of said mortgagee or prospective mortgagee, or (b) in the case of a request by a prospective grantee, he shall not be liable for, nor shall the Building Site conveyed be subject to a lien for, any unpaid assessments or common expenses which became due prior to the date of making such request. No failure of the Association to comply with a request for a Certificate shall relieve the Owner from personal liability for, or the subject Building Site from the lien for, any unpaid assessments or common expenses. The provisions contained in this Section shall not apply upon the initial transfer of the Building Site by Declarant.

ARTICLE SIX
6.0 Miscellaneous

6.1 A violation of covenants.

Whenever there shall have been built on any Building Site, a structure which is in violation of these Covenants and Conditions, such persons as are authorized by the Board of the Association shall have the right to enter upon the property as to which such violation exists, and to summarily abate and remove at the expense of the Owners thereof, any erection, thing, or condition that may exist thereon contrary to the intent and meaning of the provisions thereof; and the Association, its agents, and assigns shall not thereby be deemed guilty of any manner of trespass for such entry, abatement, or removal. The costs and expenses of such entry, abatement, and removal shall become a lien upon the Building Site upon the recording by the Association of a sworn statement with respect thereto in the Valley County real property records. In addition, if any person shall violate or threaten to violate any provisions of this instrument, it shall be lawful for any person or persons owning the real property in the Subdivision or for the Association to institute proceedings at law or in equity to enforce the provisions of this instrument, to restrain the person violating or threatening to violate them, and to recover damages, actual and punitive, together with reasonable attorney's fees, for such violations.

6.2 Term.

The Covenants and every provision hereof shall continue in full force and effect for a period of twenty-five (25) years from the date hereof, and shall thereafter be automatically renewed for successive ten (10) year periods unless and until terminated as provided in , Section 6.3 hereof.

6.3 Termination and Modification.

To the extent set forth in Section 6.4 , the Declarant may supplement these Covenants and Conditions at any time during the term hereof. Otherwise, these Covenants and Conditions and every provision hereof may be terminated, extended, modified or amended, as to the whole of said Subdivision or any portion thereof, with the written consent of the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision, subject to these restrictions: provided, however, that during the initial twenty-five (25) year term of these Covenants, no such termination, extension, modification or amendment shall be effective without the written approval of Declarant so long as the Declarant continues to own any ownership interest in Building Sites within the Subdivision. Such termination, extension, modification or amendment shall be immediately effective upon recording a proper instrument in writing, executed and acknowledged by such Owners (and/or by Declarant as provided herein) in the office of the Recorder of Valley County, Idaho.

6.4 Amendment.

The conditions, restrictions, stipulations and agreements, and covenants contained herein shall not be waived, abandoned, terminated, nor amended except by written consent of sixty-five percent (65%) of the Owners of Building Sites, provided however, the Architectural Control Committee (when appointed by the Declarant) may amend the Covenants and Conditions set forth in Article Three, as provided in Section 4.4, and the Declarant may amend Article One (i) to change the title of the Covenants and Conditions or (ii) to include additional land within the property covered by these Covenants and Conditions so long as such land adjoins (for the purposes of this Section, land separated only by roads and waterways shall be deemed to "adjoin") land then covered by these Covenants and Conditions or such land is included in a Master Plan submitted by Declarant which has or in the future receives approval by Valley County and which incorporates the land described in Article One. In any case, however, any additional land to be covered by these Covenants and Conditions must be owned by Declarant at the time of the Amendment. The Amendment to include such land shall be effected by Declarant having recorded a declaration describing the land to be included, setting forth such additional limitations, restrictions, covenants and conditions as are applicable to such land; and declaring the land is to be held, sold, conveyed, encumbered, leased, occupied and improved subject to the Covenants and Conditions, hereof.

6.5 Governmental Regulations and Laws.

To the extent that the applicable county or other governmental regulations, rules, or codes and ordinances or laws are more restrictive in their allowable land utilization than these Covenants and Conditions, they shall supersede these Covenants and Conditions and govern at all times.

6.6 Assignments of Declarant's Rights and Duties.

Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant to any person, partnership, corporation or association which will assume any or all of the duties of Declarant hereunder, and upon any such person, corporation or association's evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder. The term "Declarant" as used herein includes all such assignees and their heirs, successors and assigns. If at any time Declarant ceases to exist and has not made such an assignment, a successor Declarant may be appointed by the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision upon compliance with the requirements of Section 6.3.

6.7 No Waiver.

All of the covenants and conditions, restrictions and reservations contained in these Covenants and Conditions shall be construed together, but if it shall at any time be held that any one of said Covenants and Conditions, or any part thereof, is invalid, or for any reason becomes unenforceable, no other covenants and conditions, restrictions and reservations or any part thereof, shall be thereby affected or impaired.

6.8 Owner's Liability Subsequent to Sale.

Upon the sale of Building Site, the Owner so selling shall not have any further liability for the obligations thereon which accrue against the Building Site sold after the date of the conveyance; provided, however, that nothing herein shall be construed so as to relieve an Owner of any Building Site from any liabilities or obligations incurred prior to such sale pursuant to these Covenants and Conditions. Furthermore, any such sale shall not enlarge or extend the time for commencement of construction of a building upon a Building Site.

6.9 Personal Liability.

No member of the board or any committee of the Association or any officer of the Association, or the manager, if any, or member of the Architectural Control Committee or of Declarant, or any agent of Declarant, 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 of any act, omission, error or negligence of any such person or entity in the administration or performance of duties imposed by this Declaration of Covenants, Conditions and Restrictions (or any Amendment thereof) provided that such person or entity has, upon the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

6.10 Benefits and Burdens.

The terms and provisions contained in this Declaration of Covenants, Conditions and Restrictions shall bind and inure to the benefit of the Declarant, the Owners and Occupants of all Building Sites located within the Subdivision, and their respective heirs, successors, personal representatives and assigns.

6.11 Notice.

Unless the proposed recipient has provided notice of another address for mailing, all notices shall be in writing and hand delivered or mailed, if mailed, the notice shall be sent postage prepaid and shall be directed as follows: (1) to the address of the Building Site if improved; (2) if the Building Site is not improved to the address set forth in the purchase contract

or purchase contract application; or (3) to the last known address of the Owner. If intended for Declarant, to the address previously set forth herein. If to the Association to the designated address of the Association or the registered agent of the Association.

6.12 Context of Terms.

Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

6.13 Mortgage.

The term "mortgage" as used herein shall include deeds of trust and trust deeds.

IN WITNESS WHEREOF, Declarant has executed this instrument this 23rd day of July 2000.

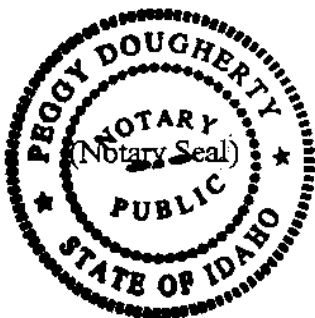
L. B. INDUSTRIES, INC.,

By: James K Ball
James K. Ball, Vice President

(Corporate Seal)

State of Idaho)
)ss.
County of Ada)

On this 23 day of July, 2000, before me, a Notary Public, in and for said State, personally appeared James K. Ball, known to be the Vice President of L. B. Industries, Inc., the corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.



Peggy Dougherty
NOTARY PUBLIC
Residing at: Caldwell
My Commission Expires: 4-6-06

Instrument # 255797
VALLEY COUNTY, CASCADE, IDAHO
2001-07-25 02:31:37 No. of Pages: 4
Recorded for: L.B. INDUSTRIES
LELAND G. HEINRICH Fee: 12.00
Ex-Officio Recorder Deputy *J. Heinrich*
Index to: RESTRICTIVE COVENANT

**BLACKHAWK RANCH PHASE II
AMENDED AND SUPPLEMENTAL**

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Blackhawk Ranch Phase II Amended and Supplemental Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as "Phase II Supplement") is made this 25 day of July, 2001, by L.B. Industries, Inc., a Idaho corporation (Declarant and Class B Member), and does hereby amend, supplement **and supercede** the Blackhawk Ranch Phase II Declaration of Covenants, Conditions and Restrictions which was recorded on July 25, 2000, as Instrument Number 248632 of the Official Records of Valley County, Idaho. The Declarant certifies that a) Phase II Supplement has been approved by the Declarant, b) that it has not established any Local Association, c) that it has not surrendered control of the Architectural Control Committee and d) that it has not released control and ownership of the any Common Areas or Common Facilities to any Local Association.

Article 1: Recitals

- 1.1 Supplement to Master Declaration. This Phase II Supplement is a supplement to that certain Master Declaration of Covenants, Conditions and Restrictions for Blackhawk Ranch (hereinafter referred to as the "Master Declaration"), recorded on the 25 day of July, 2001, in Valley County, Idaho, Instrument Number 255796. This Phase II Supplement supplements the Master Declaration with respect to that certain real property legally described in Exhibit A, attached hereto and made a part hereof (the "Phase II Supplement Property"), which is that certain real property shown on the Blackhawk Ranch Subdivision Phase II final plat recorded on the 25th day of July, 2000, in Valley County, Idaho, Instrument Number 248630, Book 9, Page 16 of Plats.
- 1.2 Purpose. This Phase II Supplement hereby subjects the Phase II Supplement Property to all the terms, covenants, conditions, and restrictions of the Master Declaration, and designates the Phase II Supplement Property, Common Areas, Local Common Areas, and Restricted Area, and sets forth any terms, covenants, conditions, restrictions and easements unique to the Phase II Supplement Property.

Article 2: Declaration

Declarant hereby declares that the Phase II Property and each Building Site, Lot, parcel or portion thereof is hereby made a part of the Property as that is defined in the Master Declaration, and is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to all of the covenants, conditions, easements, restrictions, and all provisions of the Master Declaration and this Phase II Supplement.

Article 3: Definitions

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are ascribed to such terms in the Master Declaration.

Article 4: Covenants and Conditions

The Covenants and Conditions as defined and set for the Master Declaration are hereby adopted and ratified without modification, subject to the right of the Declarant or Local Association (if control has been transferred to said Association) to amend and modify this Phase II Supplement.

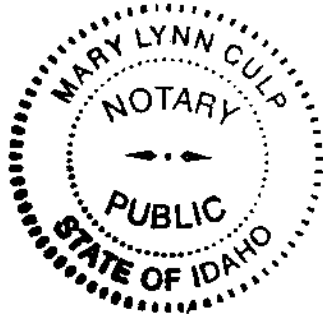
IN WITNESS WHEREOF, Declarant has executed this instrument this 25 day of July, 2001.

L. B. INDUSTRIES, INC.

James K Ball
By: James K. Ball
Its Vice President

State of IDAHO)
) ss.
County of Ada)

On this 26th day of July, 2001, before me, a Notary Public, in and for said State, personally appeared James K. Ball, known to be the Vice President of L. B. Industries, Inc., the corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.



Mary Lynn Gulp
NOTARY PUBLIC
Residing at: Ada County
My Commission Expires: 11/03/06

EXHIBIT "A"

THOMAS W. KERR
PLS 998

KERR SURVEYING
P.O. BOX 853
McCALL, IDAHO 83638
(208) 634-2686
February 21, 2000

ROD M. SKIFTUN
PLS 9585

BOUNDARY
OF
BLACKHAWK RANCH PHASE II

A parcel of land situate in the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$, and Government Lots 3 and 6, of Section 36, T. 18 N., R. 2 E., B.M., Valley County, Idaho, more particularly described as follows:

Commencing at an aluminum cap marking the South 1/16 Corner common to Sections 35 and 36, T. 18 N., R. 2 E., B.M., Valley County, Idaho; thence, N. 01° 00' 51" E., 383.19 feet along the line common to said Sections 35 and 36, thence, N. 83° 23' 15" E., 156.38 feet to a 5/8" rebar on the easterly right-of-way of West Mountain Road at station 1812+31.84 P.T., thence, 57.41 feet along said easterly right-of-way on a non-tangent curve to the right, whose radius is 2,440.00 feet, delta angle is 01° 20' 53", and whose long chord bears S. 05° 56' 13" E., 57.41 feet to an aluminum cap, the **REAL POINT OF BEGINNING**:

Thence, 57.41 feet along said easterly right-of-way on a non-tangent curve to the left, whose radius is 2,440.00 feet, delta angle is 01° 20' 53", and whose long chord bears N. 05° 56' 13" W., 57.41 feet to a 5/8" rebar at station 1812+31.84 P.T.,
thence, N. 06° 38' 35" W., 987.32 feet along said easterly right-of-way to a 5/8" rebar at station 1822+19.11 P.C.,
thence, 792.85 feet along said easterly right-of-way on a curve to the right, whose radius is 1,360.00 feet, delta angle is 33° 24' 08", and whose long chord bears N. 10° 03' 29" E., 781.67 feet to a 5/8" rebar at station 1830+35.28 P.T.,
thence, N. 26° 46' 38" E., 170.00 feet along said easterly right-of-way to a 5/8" rebar,
thence, S. 90° 00' 00" E., 481.00 feet to a 5/8" rebar,
thence, S. 15° 35' 00" W., 227.60 feet to a 5/8" rebar,
thence, S. 08° 48' 00" E., 203.30 feet to a 5/8" rebar,
thence, S. 24° 46' 00" E., 143.20 feet to a 5/8" rebar,
thence, S. 34° 19' 00" E., 140.40 feet to a 5/8" rebar,
thence, S. 38° 18' 00" E., 178.22 feet to a 5/8" rebar,
thence, N. 59° 00' 00" E., 53.03 feet to a 5/8" rebar,
thence, S. 25° 00' 00" E., 33.93 feet to a 5/8" rebar,
thence, S. 22° 00' 00" W., 125.00 feet to a 5/8" rebar,

EXHIBIT "A"

thence, S. 22° 26' 00" E., 92.30 feet to a 5/8" rebar,
thence, S. 32° 27' 00" E., 181.56 feet to a 5/8" rebar,
thence, S. 06° 26' 00" E., 365.00 feet to a 5/8" rebar,
thence, S. 80° 00' 00" W., 208.00 feet to a 5/8" rebar,
thence, S. 52° 00' 00" W., 185.00 feet to a 5/8" rebar,
thence, S. 42° 39' 00" W., 196.19 feet to a 5/8" rebar,
thence, S. 22° 16' 35" W., 88.92 feet to a 5/8" rebar,
thence, S. 34° 57' 37" W., 100.00 feet to a 5/8" rebar marking
an angle point on the boundary of Lot 1, Blackhawk Ranch
Phase I, as shown on the official plat thereof on file in
Book 8, Page 83 of Plats, in the Office of the Recorder
of Valley County, Idaho,
thence, N. 25° 42' 16" W., 119.36 feet to a 5/8" rebar marking
the northeast corner of said Lot 1,
thence, S. 77° 00' 00" W., 362.99 feet along the northerly
boundary of said Blackhawk Ranch Phase I to the Point of
Beginning, containing 34.382 acres, more or less.

Bearings based on State Plane Grid Azimuth.

**BLACKHAWK RANCH PHASE II
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

ARTICLE ONE

**1.0 Property Subject to this
Declaration of Protective Covenants**

1.1 L. B. Industries, Inc. ("Declarant"), an Idaho corporation having its principal place of business and mailing address located at P.O. Box 2797, 1401 Shoreline Drive, Boise, Idaho, 83701, is the Owner of all of that property within the subdivision named Blackhawk Ranch Phase III in Valley County, Idaho. The real property which is, and shall be conveyed, transformed, occupied, and sold subject to the covenants and conditions, restrictions, reservations and easements ("Covenants and Conditions") as set forth within the various clauses and covenants of this declaration is located in the County of Valley, State of Idaho, and is more particularly described as follows:

All blocks, lots, streets, drives, roads, and easements plotted as Blackhawk Ranch Phase II as recorded in the office of the County Recorder of Valley County, Idaho, on 7-25-00, as Instrument Number 248630 of the Official Records of Valley County, Idaho, at Book 9, Page 16 of Plats.

1.2 The title of these Covenants and Conditions is as follows:

Blackhawk Ranch Phase II Declaration of Covenants, Conditions and Restrictions.

ARTICLE TWO

2.0 General Purposes and Definitions

2.1 The real property described in Article One hereof is subject to the covenants and conditions, restrictions, reservations, and easements hereby declared to ensure the best use and the most appropriate development and improvement of each Building Site thereof; to protect the Owners of Building Sites against such improper use of surrounding Building Sites as will depreciate the value of their property; to preserve, so far as practical, the natural beauty of such property; to prevent the construction of improper or unsuitable Improvements; to encourage and secure the erection of attractive dwellings thereon; and in general to create and keep the Subdivision, insofar as possible, desirable, attractive, beneficial, and suitable in architectural design, materials and appearance; to guard against fires and unnecessary interference with the natural beauty of the Subdivision and to provide adequately for the improvement of said property; all for the mutual benefit and protection of the Owners of Lots and Building Sites in the Subdivision.

TYPE: Power
LELAND HEINRICH
VALLEY COUNTY RECORDER
BY: J. M. [Signature]
FEE: 87.00
RECORDED BY: Jan Bar
REQUESTED BY: Jan Bar

00 JUL 29 AM 10 29

248632

2.2 Blackhawk Ranch Master Plan was conceptually approved on May 13, 1999 by the issuance of Conditional use Permit (C.U.P.) Number 99-3 by Valley County Planning and Zoning.

2.3 As used herein the following words and terms shall have the following meanings.

2.3.1 "Architectural Control Committee" shall mean that certain committee initially established by the Declarant (and later maintained by the Association) to review and approve construction plans and plans for improvement of the Building Sites within the Subdivision.

2.3.2 "Blackhawk Ranch Phase II Property Owner's Association, Inc." (or other such similar name adopted to act as a property owner's association covering Blackhawk Ranch Phase II and any other subdivided/platted phases of Blackhawk Ranch; hereinafter such association may sometimes be referred to as the "Association") shall mean that certain property owner's association which shall be established at a later date by the Declarant as a non-profit corporation of which every Owner of property within the Subdivision (and the property owners within those other subdivided/platted phases of Blackhawk Ranch which are subject to these Covenants and Conditions) shall become a member immediately and automatically upon Declarant's establishment of the Association. The Declarant will create the Association at the time and according to the terms more completely provided herein. Prior to the creation of the Association by the Declarant, all rights granted to the Association by these Covenants and Conditions shall be reserved to and exercisable by Declarant.

2.3.3 "Building Site(s)" or "Sites" shall mean any contiguous plot of the Subdivision the size and dimensions of which shall be established by the legal description in the original conveyance from Declarant to the first fee Owner (other than Declarant) of said plot of the Subdivision. If two or more Lots, or portions of one or more Lots, as designated on the recorded Plat of Blackhawk Ranch Phase II or on any phase thereof, are contiguous and described in such original conveyance from Declarant to the first fee Owner, if so elected by such first fee Owner, such Lots or parts thereof shall be treated as a single Building Site for purposes of the Covenants and Conditions herein contained.

2.3.4 "Common Areas" shall mean and include collectively all real property or Out Lots within the Subdivision which are designated to be owned or are owned by the Association, including (without limitation) any real

property upon which Common Facilities are located or are intended to be located and any property designated and held by the Declarant for use as a Common Area and any property deeded by the Declarant to the Association for use as Common Area. The term "Common Area" shall not include any real property owned by or reserved for governmental entities.

- 2.3.5 "Common Facilities" shall mean the facilities developed by the Declarant or the Association for the general use of the Owners, their families and guests which is located, or to be located, within the Subdivision and any other facilities of a similar nature situated in the Subdivision which the Declarant has designated for future transfer to the Association or which the Association may from time to time own, lease, operate or otherwise control.
- 2.3.6 "Declarant" shall mean L. B. Industries, Inc. an Idaho corporation and its successors and assigns.
- 2.3.7 "Improvements(s)" shall mean structures and construction of any kind, whether above or below the land surface, such as, but not limited to, buildings, accessory buildings, water lines, sewers, electrical and gas distribution facilities, loading areas, parking areas, walkways, walls, fences, hedges, plantings and other landscaping, signs and external lighting.
- 2.3.8 "Lot" shall mean each lot reflected on the recorded plat of the Subdivision.
- 2.3.9 "Occupant" shall mean and include 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 Site or Sites whether or not such right is exercised as well as their heirs, assigns and successors in interest.
- 2.3.10 "Private Roads" shall mean all ingress and egress roadways within the Subdivision beginning and ending from the points of ingress and egress from West Mountain Road. All Subdivision Private Roads constitute Common Areas which will be held by the Declarant until deeded to the Association. Private Roads will not be provided County or State services such as snow removal and repairs and thus, after deed by Declarant to the Association, the Association will be required to provide all necessary services. Common Area Private Roads will be deeded to

the Association subject to an easement for access and use of said Private Roads being granted to any Owners of all or a portion of the property described below and Owners (including Declarant) of any portion of additional land subdivided by Declarant (or its successors or assigns), where such additional lands adjoin land covered by these Covenants and Conditions (for the purpose of this paragraph, land separated only by roads or water ways shall be deemed to "adjoin").

- 2.3.11 "Owner" or "Owners" shall mean the party or parties having any fee hold estate interest in any Building Site, excluding any person who holds such interest as security for the payment of an obligation, but including any mortgage, under deed of trust or other security holder in actual possession of any Building Site, as a result of foreclosure or otherwise, and any person taking title through such security holder, by purchase at foreclosure sale or otherwise.
- 2.3.12 "Out Building" shall mean an enclosed covered building to be used as a barn, garage or for other storage purposes not directly attached to the main structure which it serves.
- 2.3.13 "Out Lot" shall mean real property reserved by Declarant for open space, roadways, utilities or recreational facilities.
- 2.3.14 "Maid/Guest House" shall mean a residential structure for use as servant's quarters or guest quarters which is attached to the main residential structure.
- 2.3.15 "Single Family Residence" shall mean a single family residential building together with not more than one (1) Out Building.
- 2.3.16 "Subdivision" shall mean the land described in Article One. Declarant may, pursuant to the following provisions of this declaration, amend Article One to include all or any part of the land owned by it at the time of the amendment if the same is adjoining land (for the purpose of this paragraph, land separated only by roads or water ways shall be deemed to "adjoin"), or land included in a Master Plan submitted by Declarant which has or in the future receives approval by Valley County and which incorporates the land described in Article One.

ARTICLE THREE
3.0 Covenants and Conditions

3.1 Land Use and Building Type.

No Building Site shall be used except for residential purposes, and each Site shall be limited to one Single Family Residence. No building shall be erected, altered, placed, or permitted to remain on any Site other than for residential or recreational purposes or for a private garage, barn, and other Out Buildings incidental to residential use of the premises. All structures constructed on any Building Site shall be constructed with a substantial quantity of new materials and no used structure shall be relocated or placed on any Building Site. No trailer, motor or mobile home, basement, tent, shack, garage, barn, or other Out Building located or erected on a Building Site covered by these Covenants and Conditions shall at any time be used for private habitation, except in the following situations:

- (a) During the construction period for a given Building Site (which must be completed within twelve (12) months - see Section 3.12) a recreational vehicle (camping trailer or motor home) may be used for temporary habitation of the Building Site Owner and/or Occupants as approved on a case by case basis by the Architectural Control Committee.
- (b) After the construction of a Single Family Residence has been completed upon a Building Site, a recreational vehicle (camping trailer or motor home) may be used for temporary habitation by guests for consecutive periods not exceeding fourteen (14) days or nights. At the conclusion of such fourteen (14) consecutive day or night occupancy period, the recreational vehicle must be removed from the Building Site for at least fourteen (14) consecutive days.

No Building Site shall be used for any retail commercial or business purposes whatsoever. The Covenants and Conditions set forth within this Section 3.1 shall not apply to Declarant's or its agent's real estate sales office (if any), and the activities conducted in connection therewith.

3.2 Approval of Construction Plans.

- 3.2.1 No building or other structure shall be constructed, erected, or maintained on any Building Site, nor shall any addition thereto or change or alteration therein be made unless it complies with the Valley County, Idaho zoning ordinances in existence with respect to the property and until the complete plans and specifications (including, but not limited to, the floor, elevations, plot, grading, and landscaping plans); provisions for off-street parking; the specifications of principal exterior materials and color schemes; and the location, character and method of utilization of all utilities) have been submitted to the Architectural

Control Committee approved in writing, by the Architectural Control Committee. Each building or other structure shall be constructed, erected, and maintained in strict accordance with the approved plans and specifications.

3.2.2 The procedures dealing with the submission of plans to the Architectural Control Committee are set forth in Article Four.

3.3 Minimum Floor Area and Building Heights.

3.3.1 Single Family Residence - no main residence structure shall be permitted on any Building Site covered by these covenants, the habitable floor area of which, exclusive of basements, porches, and garages, is less than 1,200 square feet.

3.3.2 Single Family Residence - no main residence structure shall be permitted to have more than two (2) above ground floors (a daylight basement shall not generally be considered an above ground floor). In the case of a two (2) story (above ground) structure, the first floor shall have no less than 800 square feet of the required 1,200 square feet of total habitable floor area.

3.3.3 The maximum height of any building shall be in compliance with the Valley County zoning ordinances.

3.4 Set Back Requirements.

Some Building Sites have designated building envelopes as per the recorded Subdivision plat, if a building envelope is designated for a given Building Site, all Improvements must stay within the designated building envelope and construction must be conducted in ways which reasonably minimize disturbance to areas of the Building Site outside of the building envelope. Notwithstanding the foregoing, the specific location of such Improvements must also receive the advance approval of the Architectural Control Committee, as more completely described herein and all such Improvements shall conform to the Valley County zoning regulations then in effect.

3.5 Fences.

To maintain and preserve the natural beauty of land, no fence, wall, or similar type barrier of any kind shall be constructed, erected, or maintained on any Building Site for any purpose whatsoever, except such fences, walls, or barriers that are attached to the main structure for privacy or enclosure of pets as may be approved by the Architectural Control Committee (in no case will chain link fencing, enclosures or barriers, be approved). No lot line fencing will be permitted on any Building Site.

3.6 Signs.

No signs of any kind shall be displayed to the public view on any part of the property, except one sign of not more than two (2) square feet designating the Owner of any Building Site, one sign of not more than six (6) square feet advertising the property for sale or rent, and except temporary signs used by Declarant, or its agent, to advertise property in Blackhawk Ranch Phase II.

3.7 Easements.

Easements and rights-of-way as described on the recorded plat of Blackhawk Ranch Phase II have been reserved for poles, wires, pipes, and conduits for electricity, gas, telephones, sewer, drainage water, snow removal and other utility and road purposes together with the right of ingress and egress for further construction, maintenance and repair thereof as shown on the recorded plat of the Subdivision. Road rights-of-way and easements shown on the plat contain utility, easements, and easements for other purposes. No dwelling, Improvement, material, equipment, or refuse shall be placed on any part of said property within the area of easements reserved so as to interfere with the use thereof as reserved.

3.8 Garbage and Refuse Disposal.

- 3.8.1 No part of the Subdivision above or below ground shall be used or maintained as a dumping ground for refuse, trash, garbage, debris, or other waste. At all times the Subdivision shall be maintained in a sanitary condition.
- 3.8.2 All fish cleaning shall be performed at designated locations in the Common Areas or will be performed on the Owner's own Building Site. All debris and waste from fish cleaning will be properly disposed of in appropriate garbage containers. Under no circumstances will dead fish or fish parts be left on the ground or thrown into the water of the Subdivision ponds or streams or the Payette River.
- 3.8.3 Reasonable precaution shall be taken against fire hazards and no outdoor burning of any kind shall be permitted upon the Building Sites (except for cooking).
- 3.8.4 Each property Owner shall provide suitable receptacles for the temporary storage and collection of refuse on their Building Site and all such receptacles shall be screened from public view and protected from disturbance.
- 3.8.5 These restrictions also apply to contractors doing construction work.

3.8.6 Notwithstanding the foregoing, the burning of slash (plant debris) may be conducted under the direction of the Declarant or the Association, but only when done in accordance with applicable law.

3.9 Trees.

Living trees, the trunk of which is four (4) inches or more in diameter, naturally existing upon a Building Site, except to the extent necessary for construction purposes, shall not be cut, trimmed, or removed from the properties except as may be approved by the Architectural Control Committee.

3.10 Animals, Livestock and Poultry.

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the property for any commercial purpose. Household pets kept for personal or recreational purposes must be kept within the boundaries of the Building Site unless accompanied by and under the control of the Owner.

All pet enclosures must match the colors of the main structure on the Building Site, be attached to the main structure on the Building Site and receive the prior approval of the Architectural Control Committee.

Idaho Law prohibits dogs from disturbing or chasing wildlife. Fish and Game Policy allows for destruction of dogs in the pursuit of big game animals. Owners may be cited and fined. When dogs are out of their enclosures the Owner is responsible to keep them on a leash and for cleanup of animal waste in the Common Areas or other areas outside their Building Site.

3.11 Landscaping.

Declarant has set aside some natural areas and wetland areas as Common Areas, as designated on Declarant's Master Plan and Plat of the Subdivision. These areas are not to be destroyed.

In order to insure protection of the water quality of the Payette River, creeks and ponds in Common Area, and the natural environment, all natural surface areas disturbed by construction shall be returned promptly to their natural condition and replanted in native grasses and trees. All previously prepared Sites will be landscaped and completely planted in native grasses and trees. The Architectural Control Committee may approve limited construction of gardens, lawns, and exterior living areas. Well water shall be restricted to domestic use only (domestic use is deemed to include non-commercial use of water for human and animal consumption, cleaning, washing, sanitation systems and reasonable watering of houseplants and exterior gardens and lawns).

3.12 Continuity of Construction.

All structures commenced in this Subdivision shall be prosecuted diligently to completion and shall be completed within twelve (12) months of issuance of building permit unless approved in writing by the Architectural Control Committee.

3.13 Nuisance and Fire Arms.

No noxious or offensive activity shall be carried on within the Subdivision nor shall anything be done or permitted which will constitute a public nuisance therein; nor shall any fire arms be discharged within the Subdivision. Fire arms as used herein shall be construed to mean not only rifles, pistols and cannons, but also fireworks, explosives, air rifles, BB guns, or similar devices.

3.14 Sewage Disposal.

If public sewers become available, dwellings then under construction or subsequently to be built must make use thereof. Pending availability of public sewers, each dwelling must use a sanitary disposal system of a design and installation approved by Valley County, the Central District Health Department and the Idaho Department of Health and Welfare.

3.15 Parking.

3.15.1 Parking shall be accommodated on each Building Site with no Owner parking of vehicles allowed on Subdivision private or public streets, except in areas so designated for on street parking by the Declarant or the Association. Each Building Site shall provide at least a one-car garage (three-car garage maximum) and the minimum of two additional parking units. Each additional parking unit shall be located entirely within the Building Site lines.

3.15.2 Parking in Common Areas shall be limited to those locations designated as being available for parking. Parking in these areas shall be for temporary purposes incidental to the use of the Common Areas and Common Facilities. No overnight parking or overnight camping shall be permitted in the vehicles located in the Common Areas.

3.16 Trailers and Motor Vehicles.

No boats; trailers; campers; motor homes; commercial cars, trucks or vans; buses, or other portable vehicles, other than duly registered and licensed non-commercial cars, passenger

vans, and light duty trucks, shall be parked forward of any dwelling at any time during three consecutive days. Notwithstanding the foregoing sentence, commercial vehicles may not regularly be parked forward of any dwelling on a daily or other continuing basis (It is the intent of this provision to prohibit Owners or Occupants from regularly parking commercial vehicles on Building Sites. This Subdivision is residential and Owner or Occupant commercial vehicles should be garaged or otherwise concealed when parked on a Building Site). All boats, trailers, campers, motor homes, snowmobiles, All Terrain Vehicles, motorcycles and other motorized vehicles, if parked for a period exceeding 72 hours, must be concealed from sight of any traffic along Subdivision roads by appropriate fencing, enclosure or other year round screening. Any screened area must be located to the side yard or rear yard of a dwelling. No motor vehicle shall be constructed, reconstructed, or repaired upon the front or side yard of any Building Site or street; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or construction vehicles used in connection with the construction of any Improvement as approved by the Architectural Control Committee. No motor vehicle of any type, or part thereof, shall be permitted to remain on any Building Site or street in an exposed position and in a non-operative condition, for more than thirty (30) days in any calendar year. Any such vehicle or part thereof which does not display current or valid license plates and safety inspection stickers, as required by law, shall be deemed to be a "non-operating condition vehicle" and may be removed at the request of any Owner and at the expense of the Owner in violation, after a ten (10) day written notice has been provided. No motorized "off-the-road" vehicles shall be operated on any Building Site in a noisy or disturbing manner which would create a nuisance.

3.17 Snowmobiles, ATVs, Motorcycles, Etcetera.

Snowmobiles, ATVs, motorcycles, and other recreational vehicles and equipment (all generally referred to as "Recreational Equipment"), shall not exceed 15 mph while operating in the Subdivision. It is the intent of the Declarant not to allow high speed use of Recreational Equipment anywhere within the Subdivision (including their operation on Building Sites, Private Roads and Common Areas). The 15 mile per hour speed limited is intended to allow Recreational Equipment to be driven to and from the Subdivision but is not intended to allow recreational use within the Subdivision. All recreational use is intended to occur outside of the Subdivision.

3.18 Antennas.

Except as specified herein, antennas, satellite dishes, or other devices for the transmission or reception of television, radio or electric signals or any other form of electromagnetic radiation shall not be erected on the front yard of any Building Site. Notwithstanding the above, a television antenna may be attached to the side of a dwelling, if using a fireplace chimney for support; satellite dishes exceeding 18 inches in diameter shall be painted an earth tone color and shall be concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee; and satellite or digital antenna

dishes of 18 inches in diameter or less may be attached to any part (front, back, or side) of a dwelling.

3.19 Storage Tanks.

Any tank used in connection with any dwelling (e.g. for storage of gas, oil or water) and any type of refrigeration or heating apparatus must be located under ground or concealed from view of adjoining Owners by appropriate enclosure or other year-round screening, as approved by the Architectural Control Committee.

3.20 House Numbers and Mailboxes.

Each dwelling shall have a street number discreetly placed at or near the street entrance to the Building Site. Mailboxes installed along the roads shall be of wood construction with a wood post in order to achieve a uniform appearance. Mailboxes shall be paid for by the Owner.

3.21 Fishery Management.

The Association shall establish fishery management procedures (including, but not limited to, stocking and harvesting procedures and fishing rules) as needed to protect the health and welfare of the fish habitat. In establishing fishery management procedures the, Association will endeavor to comply, where applicable, with the rules and regulations as established from time to time by Idaho Fish and Game. Owners and their guests shall be required to comply with the most current fishing rules published by the Association.

3.22 Water Quality.

The Association shall have the authority to adopt rules and regulations to ensure and to protect the natural beauty and water quality of the Payette River, creeks, and ponds where adjacent to the Subdivision.

3.23 Maintenance of Dams, Water Conveyance Systems and Water Quality.

The Association shall the authority to adopt rules and regulations to ensure and maintain the safety and function of the diversion dams and pumps that divert water in the creeks and ponds; the water conveyance systems leading into and out of Blackhawk Ranch Phase II; and the natural beauty and water quality of Blackhawk Ranch Phase II ponds and creeks.

3.24 General Restrictions Applicable to Common Areas and Common Facilities.

3.24.1 The Common Areas and Common Facilities shall be under ownership and control of the Declarant until the Declarant creates and deeds over the said Common

Areas and Common Facilities in Blackhawk Ranch Phase II. Declarant retains the right to create and deed over Common Areas and Common Facilities as it deems appropriate, but Declarant must deed all Common Areas and Common Facilities to the Association as of the date Declarant owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision.

3.24.2 Subject to the Association Rules, the following persons shall have the exclusive right of use of all Common Areas and Common Facilities:

- (a) Members of the Association (Owners), their immediate families, guests and the tenants of such members.
- (b) Declarant, its invitees, guests, tenants, employees and agents, and its successors and assigns, while Declarant, its successor or assigns are engaged in the development and/or sale of property within the Subdivision.
- (c) Such other persons or entities as the Association shall from time to time grant the right of use.

3.24.3 The use of Common Areas and Common Facilities shall at all times be subject to the rules, regulations and user charges, if any, prescribed by the Declarant from time to time (prior to the deeding of such Common Areas and Common Facilities to the Association) and thereafter, as prescribed by the Association from time to time.

3.24.4 The use of said Common Areas and Common Facilities shall be subject to such easements and reservations of rights of Declarant hereinafter described and made of record.

3.24.5 Only the Declarant (prior to title to the Common Area vesting in the Association) or the Association (after vesting of title) shall be permitted to engage in construction, excavation or other work which in any way alters any Common Area or Common Facility. Construction, excavation or other work shall only be made in strict compliance with provisions of Section 3.25.

3.24.6 Any portion of a Common Area may be developed by constructing thereon one or more additional recreational facilities by the Association.

3.24.7 There shall be no use of a Common Area or Common Facility which injures, erodes, or scars the same or the vegetation thereon, or increases the cost of maintenance thereof, unless expressly permitted by the Association and in any event, there shall be no use of a Common Area or Common Facility which causes

unreasonable embarrassment, disturbance, or annoyance to Owners in the enjoyment of their Building Sites.

3.25 Common Areas: Construction and Alteration of Improvements, etc.

After title to a Common Area is vested in the Association, no Improvement, excavation or work which in any way alters such Common Area from its state on the date such Common Area is so conveyed, shall be made or done except upon strict compliance with the following provisions of this section:

- 3.25.1 With the exception of the Declarant (prior to the time that the Association is vested with fee title to said Common Area), or a public utility or governmental agency (by right of easement), only the Association shall have the right to construct Improvements upon, or make any excavation or fill upon, or change the natural or existing drainage of, or destroy or remove any tree, shrub, or other vegetation, upon, or plant any tree, shrub or other vegetation upon any Common Area.
- 3.25.2 If the Association, or any entity under right of easement, proposes to construct a new Improvement or alter the exterior of an existing Improvement upon a Common Area, or to make any excavation or fill upon, or to change the natural or existing drainage of surface waters, upon a Common Area, it shall not do so until a permit has been obtained from the Architectural Control Committee. The Association, or entity proposing to do such work shall submit to the Architectural Control Committee for approval plans for such work in such form and containing such information as the Architectural Control Committee may require. The Architectural Control Committee shall approve the plans so submitted if the following conditions have been satisfied:
- (a) If the plans are to construct any new Improvement, including any alteration of the exterior of any existing Improvement, the Architectural Control Committee finds that such Improvement complies with these Covenants and Conditions; and
 - (b) That such work if under right of easement, (i) is reasonably necessary for any utility installations serving any property within the Subdivision or any property to be annexed to the Subdivision, or any property for which an easement has been reserved or granted by Declarant or (ii) is desirable in order to provide or improve access to or to enhance the use and enjoyment of any such property; or (iii) is desirable to protect or preserve any property within the Subdivision; and

- (c) The Architectural Control Committee finds that the proposed work shall not materially prejudice the Subdivision;

3.25.3 Without approval of the Architectural Control Committee, the Association may:

- (a) Construct, reconstruct, replace or refinish any Improvement or portion thereof upon Common Areas in accordance with the plans for such Improvement as they existed upon the Common Area when it was conveyed to the Association;
- (b) Replace destroyed trees or other vegetation with native plants, and, to the extent that the Association deems necessary; plant other native trees, shrubs, ground cover and other native vegetation;
- (c) Take whatever measures that may be necessary to prevent or retard the shifting or sliding of earth;
- (d) That such work does not violate Federal, State, an Local Government Agencies' Laws, Ordinances and Restrictions.

3.25.4 Without approval of the Architectural Control Committee, the Declarant may construct, reconstruct, replace or refinish any Improvement intended to be constructed on a Common Area, or any portion thereof, as a part of the development work of the Subdivision.

3.26 Mining/Oil Drilling.

No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon or in the Subdivision, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of the Subdivision or within five hundred (500) feet below the surface of the Subdivision. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted in the Subdivision.

3.27 Work in Progress.

The Architectural Control Committee or its representative may inspect all grading and construction work while such work is in progress and give notice of non-compliance when it believes that the provisions of this Declaration have not been complied with, and such person(s) shall not be deemed guilty of trespass by reason of such entry. If no notice of non-compliance

has been sent, then the Owner shall be deemed to be in compliance upon occupancy of the dwelling and related structure and other Improvements.

3.28 Machinery and Equipment.

No commercial machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Building Site within the Subdivision except such machinery or equipment that is usual and customary in connection with the development, maintenance or construction of a residence, appurtenant structures, or other Improvements within the Subdivision.

3.29 Restriction on Further Subdivision.

No Lot within the Subdivision shall be further subdivided or separated into smaller Lots or parcels by any Owner and no portion less than all of any such Lot shall be conveyed or transferred by any Owner. This provision shall not, in any way, limit Declarant from subdividing any portion of the Subdivision or Building Site owned by Declarant into multiple Lots or Building Sites. No portion of a Building Site but for the entire Building Site, together with the Improvements thereon, may be rented. The provisions of this section shall not apply to the division of any Lot or Building Site between adjoining Lots or Building Sites.

ARTICLE FOUR

4.0 Architectural Control Committee

4.1 There is hereby established an Architectural Control Committee (the "Committee"), whose members shall be appointed or removed by Declarant except as provided in Section 4.3. This Committee shall consist of three voting members.

4.2 The initial members of the Architectural Control Committee are:

<u>Name</u>	<u>Address</u>
Larry B. Barnes	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701
James K. Ball	1401 Shoreline Drive P.O. Box 2797 Boise, Idaho 83701

Each of said persons shall hold office until such time as they have resigned, have been removed, or their successor has been appointed.

4.3 The right to appoint and remove members of the Committee shall be vested in the board of Directors of the Association from and after the expiration of the eighteenth month following the date Declarant owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision, unless during such eighteen (18) month period, Declarant's percentage of ownership is increased to more than five percent (5%) of the Building Sites collectively within the Subdivision by reason of the annexation of property to the Subdivision pursuant to Article Six Section 6.4, in which event said eighteen (18) month period will not start to run until Declarant again owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision. Upon the right to appoint and remove members of the Committee being vested in the Board of Directors of the Association, the appointment and removal of members of the Committee shall be made by the Board of Directors of the Association in accordance with the By-Laws of the Association.

4.4 The Architectural Control Committee shall, in accordance with the procedures set forth in Article Three hereof, have the responsibility to interpret the Covenants and Conditions relating to the construction plans and plans for Improvements of the Building Sites, pursue approvals and certificates of compliance with the Covenants and Conditions and inspect and enforce the Covenants and Conditions. In addition, the Committee, when appointed solely by Declarant, shall have the right from time to time to amend any of the Covenants and Conditions set forth in Article Three, upon a two-thirds majority vote of its members, but no amendment to the Covenants and Conditions shall be applied retroactively to affect plans and specifications (as that term is defined in Section 4.5 hereof) previously approved by the Committee, or Improvements constructed or being constructed pursuant thereto.

4.5 No Improvements shall be constructed, erected, placed, altered, maintained or permitted on any Building Site until the design, and construction plans, specifications, Site plan and landscaping plan, and time schedule for completion of construction and landscaping (collectively hereinafter referred to as "plans and specifications"), in manner and form satisfactory to the Committee, have been submitted to and approved by the Committee. Such plans and specifications shall be submitted in writing over the signature of the Owner or his authorized agent.

4.6 Proposed plans and specifications must be submitted to the Architectural Control Committee along with a non-refundable fee of \$100.00. Plans and specifications must be prepared or approved by a State licensed architect prior to submission to the Architectural Control Committee. The initial sketch or concept drawing indicating floor plan, elevations, site and plot plan indicating all buildings, driveways, and attached fencing if required, should be approved by the Architectural Control Committee before Owners are committed to a large investment for detailed architectural drawings.

4.7 Approval shall be based, among other things, on the Covenants and Conditions, the adequacy of Building Site dimensions, conformity and harmony of external design with neighboring structures, effect of location and use of Improvements on neighboring Building Sites, operations and uses; relation to topography, grade, finished ground elevation and landscaping of the Building Site being improved to that of neighboring Building Sites; proper facing of main elevation with respect to nearby streets; and conformity of the plans and specifications to the purpose and general plan and intent of these Covenants and Conditions. The Committee shall not arbitrarily or unreasonably withhold its approval.

4.8 If the Committee fails either to approve or to disapprove such plans and specifications (including resubmission of disapproved plans and specifications which have been revised) within forty-five (45) days after the same have been submitted to it (provided that all required information has been submitted), it shall conclusively be presumed that said plans and specifications have been approved subject, however, to the Covenants and Conditions contained in Article Three hereof or as amended and of record as of the date of submission of such plans and specifications. Provided, however, that if within said initial forty-five (45) day period, Declarant gives written notice of the fact that an additional forty-five (45) day period is required for examination and review of such plans and specifications, there shall be no presumption that the same are approved until the expiration of the additional forty-five (45) day period of time as set forth in said notice. The Committee shall notify the Owner in writing upon receipt of all required plans and specifications and the aforesaid initial forty-five (45) day time period shall commence on the date of such notification.

4.9 Neither the Committee, its individual members, nor Declarant or their respective successors or assigns shall be liable in damages to any one submitting plans and specifications to them for approval, or to any Owner or Occupant of the Property affected by these Covenants, 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 any such plans and specifications. Every person who submits plans and specifications to the Committee for approval agrees, by submission of such plans and specifications, and every Owner or Occupant of any Building Site agrees, by acquiring title thereto or an interest therein, that he will not bring any action or suit against the Committee, its individual members, or Declarant to recover such damages.

ARTICLE FIVE

5.0 Property Owner's Association

5.1 Organization.

5.1.1 The Declarant shall organize and establish a non-profit homeowners' corporation by the time Declarant's ownership of Building Sites collectively then within the Subdivision is not more than five percent (5%). This non-profit corporation shall be designated the "Blackhawk Ranch Phase II Property Owners Association Inc." (or some

other similar entity name) and is generally referred to herein as the "Association". The Declarant shall release control over the Subdivision Architectural Control Committee and control and ownership of the Subdivision Common Areas and Common Facilities to the Association within eighteen (18) months following the date Declarant owns not more than five percent (5%) of the Building Sites collectively then within the Subdivision (control may be transferred completely or on a case by case basis prior to the close of the eighteen (18) month deadline). Upon transfer of control from the Declarant, the Association shall then begin to exercise the powers and authority granted by these Covenants and Conditions (according to the Association's Bylaws and Articles of Incorporation).

5.1.2 The Declarant will set up a Foundation prior to the organization and establishment of the Association. The Foundation will collect "Maintenance Fees" until control over the Architectural Control Committee is transferred to the Association. The purpose of the Maintenance Fees shall be the maintenance of the roadways, planting areas within roadways, security, Common Areas, Common Facilities and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners. At the time Declarant transfers control to the Association, the Maintenance Fee funds then held by the Foundation shall also be transferred to the Association and the Association will then assume the Foundation's duty to oversee the maintenance of the Subdivision and the collection of Maintenance Fees. The Association will create and maintain a Maintenance Fee reserve fund in an amount which shall always be sufficient to maintain the purposes of the Association for at least a one year period.

5.1.3 Upon establishment by the Declarant, the Association shall be charged with the duties and empowered with the rights set forth herein and in its By-Laws. It shall be created by its Articles and its affairs shall be governed by its Articles and By-Laws and by these Covenants and Conditions.

5.1.4 In the event that the Association as a corporate entity is dissolved, a non-profit, unincorporated association shall forthwith and without further action or notice, be formed and succeed to all the assets, rights, privileges, duties, and obligations of the Association.

5.2 Membership.

5.2.1 Each Owner of a Building Site shall be a member of the Association:

5.2.2 If more than one person owns the Building Site giving rise to the appurtenant membership, all of said persons shall be deemed one membership and the membership shall be in the name of one designated individual. With respect to each Building Site, the Board of Directors (the "Board") shall at all times have the power to limit the number of persons (other than immediate family of the

designated member) who shall have the right to use the Common Areas and Common Facilities under any one membership.

5.2.3 The rights, duties, privileges and obligations of a member shall be in accordance with these Covenants and Conditions, the Articles and By-Laws.

5.2.4 In the event of the dissolution of the Association, upon the formation of an unincorporated association, each member of the Association shall be a member of the unincorporated association and shall have an underlying beneficial interest in all of the property transferred to or for the benefit of said unincorporated association; provided, however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such member acquiring any interest in said property, or any part thereof, seek any such judicial partition.

5.3 Purpose.

The purpose of the Association shall be the maintenance of roadways, traffic control, planting areas within roadways, security, Common Areas, Common Facilities and common services of every kind and nature required or desired within the Subdivision for the general use and benefit of all Building Site Owners.

5.4 Voting Rights.

One vote for each Building Site owned. Every member entitled to vote at any election of the Board may cumulate his/her votes and give any candidate a number of votes equal to the number of votes which the member has, multiplied by the number of directors to be elected. The right to vote may not be severed from the property to which it relates and any sale, transfer or conveyance of fee title of the property to a new Owner, shall operate to transfer the appurtenant vote or votes to the grantee.

5.5 Duties of the Association.

5.5.1 The Association shall accept as members all persons described in Section 5.2 above.

5.5.2 Immediately prior to any dissolution of the Association as a corporate entity, the Association shall convey all property vested in it to an independent corporate trustee to hold same in trust for the unincorporated association to be formed for the benefit of the Members.

- 5.5.3 The Association shall maintain and operate any Common Areas and Common Facilities which it owns for the benefit of those entitled to use such facilities pursuant to these Covenants and Conditions.
- 5.5.4 The Association shall, at the expense of the Owner, provide for the maintenance of any Building Site or Improvement thereon which is not maintained by the Owner in accordance with the requirements of these Covenants and Conditions.
- 5.5.5 The Association shall pay all taxes and assessments levied upon any Association property.
- 5.5.6 The Association shall contract for or otherwise provide such services as required by majority vote of the membership.
- 5.5.7 At a minimum, the Association shall obtain and maintain in force the following policies of insurance:
- (a) Fire and extended coverage insurance on all property owned by the Association from time to time, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement value (exclusive of the cost of excavation, foundations and footings), of such improvements as determined by the Association.
 - (b) Bodily injury liability insurance with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000.00) per occurrence insuring against any and all liability with respect to its operations; and
 - (c) Property damage liability insurance with a deductible of not more than One Thousand Five Hundred Dollars (\$1,500.00) and a limit of not less than Five Hundred Thousand Dollars (\$500,000.00) per accident.
 - (d) Full coverage director's and officer's liability insurance with a minimum coverage limit of Two Hundred Fifty Thousand Dollars (\$250,000).

The above policies of liability insurance shall cover as insureds the Declarant, the Association, the Board, the Architectural Control Committee, the Owners of all Building Sites in the Subdivision, and their agents, representatives, members and employees. Each policy of insurance obtained by the Association shall expressly waive any and all rights of subrogation against Declarant, its agents, representatives, and employees, and any Owner.

- 5.5.8 The Association shall accept and act upon applications submitted to it for the development of additional Common Facilities.
- 5.5.9 The Association shall from time to time make, establish, promulgate, amend and repeal Association rules and establish user charges for Common Facilities.
- 5.5.10 After the control of the Architectural Control Committee is transferred from the Declarant to the Board of Directors of the Association, the Association shall appoint and remove members of the Architectural Control Committee and insure that at all reasonable times there is a duly constituted and appointed Architectural Control Committee.
- 5.5.11 The Association shall levy assessments upon all members of the Association and take such action as the Board deems to be required for the collection of assessments and user charges.
- 5.5.12 The Association shall take such actions, whether or not expressly authorized by these Covenants and Conditions, as may reasonably be necessary to implement and enforce these Covenants and Conditions, the Association rules and the Architectural Control Committee rules.
- 5.6 Powers and Authority of the Association or Foundation.

The Association shall have all of the powers set forth in its Articles of Incorporation, including the power to levy and collect assessments from all members hereinafter provided, together with its general powers as a non-profit corporation (subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws and in these Covenants and Conditions) to do all lawful things which may be required to be done by the Association under these Covenants and Conditions and to do all acts which may be necessary for or incidental to the exercise of any express power of the Association or for the peace, health, comfort, safety and/or general welfare of the members of the Association. Without in any way limiting the generality of the foregoing:

- 5.6.1 The Association shall have the power and authority at any time without liability to any Owner, to enter upon any Building Site for the purpose of enforcing these Covenants and Conditions, or for the purpose of maintaining any such Building Site, and any Improvements thereon, if for any reason whatsoever the Owner thereof fails to maintain such Building Site or any structure thereon as required under these Covenants and Conditions, and for the purpose of removing therefrom any improvement constructed or maintained on any Building Site contrary to the provisions of these Covenants and Conditions. The Association shall have the

power to commence and maintain actions to restrain and enjoin any breach or threatened breach of these Covenants and Conditions.

- 5.6.2 The Association, in fulfilling any of its duties, under these Covenants and Conditions, shall have the power and authority to:
- (a) Contract and pay for, or otherwise provide for, the maintenance, restoration and repair of all property which it owns from time to time, or leases from time to time when said lease provides that the Association shall be obligated to so maintain, restore and repair such leased property;
 - (b) Obtain, maintain, and pay for such insurance policies or bonds, as the Association shall deem to be appropriate for the protection or benefit of the Subdivision, the Association, the members of the Board, the members of the Architectural Control Committee, or the members of the Association, including, but without limitation, war risk insurance, boiler insurance, workmen's compensation insurance, malicious mischief insurance, automobile non-ownership insurance, and performance and fidelity bonds;
 - (c) Contract and pay for, or otherwise provide for, such utility services to property which it leases or owns, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services, as may from time to time be required;
 - (d) Contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants and such other professional and non-professional services as the Association deems necessary;
 - (e) Contract and pay for, or otherwise provide for, fire, police, and such other protection services as the Association shall from time to time deem necessary for the benefit of the Subdivision, any property located within the Subdivision, and Owners;
 - (f) Contract and pay for or otherwise provide for, such materials, supplies, furniture, equipment, and labor, as and to the extent the Association deems necessary; and
 - (g) Pay and discharge any and all liens from time to time placed or imposed upon property of the Association on account of any work done or performed by the Association in fulfillment of any of its duties;

- (h) Employ the services of a manager to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of Idaho and upon such conditions as are otherwise deemed advisable by the Association, the Association may delegate to the manager any of its powers under these Covenants and Conditions;
- (i) Contract for the operational management of any or all of the Common Facilities as it shall from time to time see fit.
- (j) Pay, compromise or contest any and all taxes and assessments levied against all or part of any property belonging to the Association;
- (k) Subject to the provisions of these Covenants and Conditions adopt, amend and repeal rules and regulations to be known as "Associated Rules" governing, among other things:
 - (i) The use of the Common Areas and Common Facilities;
 - (ii) The use of Association property;
 - (iii) The collection and disposal of refuse;
 - (iv) The burning of open fires;
 - (v) The keeping and maintenance of animals within the Subdivision; and
 - (vi) Other activities in the Subdivision which would adversely effect the peace and enjoyment of residents in the Subdivision.
- (l) Grant concessions and/or leases and approve subleases, with respect to any of the Common Facilities;
- (m) Establish and collect reasonable user charges for any Common Area or Common Facility which it owns.
- (n) Establish and collect reasonable assessments to cover the expenses and obligations of the Association and to charge interest, after the due date for such assessments, at a rate of up to the maximum rate provided by law or 18% per annum (whichever is less), and to seek enforcement of the duty to pay such assessments as set forth in Section 5.7.

5.7 Lien for Assessments.

- 5.7.1 If any Building Site Owner shall fail or refuse to make any such payment of dues and assessment when due, the amount thereof shall constitute a lien on the Building Site as set forth in the deed of conveyance to the Owner, and upon the recording of notice thereof by the Association in the office of the Valley County Recorder, such lien shall be constituted upon such Owner's interest prior to all other liens and encumbrances, recorded or unrecorded, except only (a) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this state and any other state or federal taxes which by law are a lien on the interest of such Building Site Owner prior to pre-existing recorded encumbrances thereon, and (b) all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance.
- 5.7.2 The Association shall send a notice, postage prepaid, to any such encumbrancer whose encumbrance was recorded prior to the time of recording the notice of lien provided for in this section, at the address shown in the recorded encumbrance; provided that if such encumbrancer has furnished the Association with another address, then such other address shall be used, and said Association shall not foreclose its said lien until at least thirty (30) days after the date of depositing such notice in the United States mails, postage prepaid, to the address of such encumbrancer.
- Any encumbrancer holding a lien on a Building Site may pay any common expenses payable with respect to such Building Site, and, if so provided in an encumbrance, may add the amount of such payment to the unpaid balance secured by his lien, and such added amount shall have the same priority and lien rights as the unpaid balance to which added.
- 5.7.3 The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Building Site Owners, and may be foreclosed by an action brought in the name of the Association in a like manner as a mortgagee of real property. In any such foreclosure the Owner shall be required to pay the amount of the assessment and accrued interest, any subsequent encumbrances listed in Section 5.7.2, the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien, and all reasonable attorney fees. The Owners shall also be required to pay the Association all assessments for the Building Site during the period of foreclosure, and the Association shall be entitled to a Receiver to collect the same. The Association shall have the power to bid in the interest so foreclosed at foreclosure sale and to acquire and hold, lease,

mortgage and convey the same; and to subrogate so much of its rights to such lien as may be necessary to expedient to an insurance company which will continue to give total coverage in spite of nonpayment of such defaulting Owner's portion of the premium.

5.7.4 The Association and its officers and directors, shall not be liable or accountable in damages for any action taken pursuant to the provisions of this Declaration.

5.8 Certificate of Assessments.

Upon payment of a reasonable fee, as established by the Association and upon the written request of any Owner, mortgagee, prospective grantee or prospective mortgagee, of a Building Site, the Association – by its financial officer, shall issue a written Certificate setting forth the amount of unpaid common expenses, if any, with respect to the subject Building Site; the amount of the current assessment and the date upon which such assessment becomes due; and credit for advanced payments or for prepaid items (including, but not limited to, insurance premiums). Such Certificate shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a Certificate of Assessments be complied with within ten (10) days of the receipt of the request, then (a) in the case of a request by a mortgagee or prospective mortgagee, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien of said mortgagee or prospective mortgagee, or (b) in the case of a request by a prospective grantee, he shall not be liable for, nor shall the Building Site conveyed be subject to a lien for, any unpaid assessments or common expenses which became due prior to the date of making such request. No failure of the Association to comply with a request for a Certificate shall relieve the Owner from personal liability for, or the subject Building Site from the lien for, any unpaid assessments or common expenses. The provisions contained in this Section shall not apply upon the initial transfer of the Building Site by Declarant.

ARTICLE SIX
6.0 Miscellaneous

6.1 A violation of covenants.

Whenever there shall have been built on any Building Site, a structure which is in violation of these Covenants and Conditions, such persons as are authorized by the Board of the Association shall have the right to enter upon the property as to which such violation exists, and to summarily abate and remove at the expense of the Owners thereof, any erection, thing, or condition that may exist thereon contrary to the intent and meaning of the provisions thereof; and the Association, its agents, and assigns shall not thereby be deemed guilty of any manner of trespass for such entry, abatement, or removal. The costs and expenses of such entry, abatement, and removal shall become a lien upon the Building Site upon the recording by the Association of a sworn statement with respect thereto in the Valley County real property records. In addition, if any person shall violate or threaten to violate any provisions of this instrument, it shall be lawful for any person or persons owning the real property in the Subdivision or for the Association to institute proceedings at law or in equity to enforce the provisions of this instrument, to restrain the person violating or threatening to violate them, and to recover damages, actual and punitive, together with reasonable attorney's fees, for such violations.

6.2 Term.

The Covenants and every provision hereof shall continue in full force and effect for a period of twenty-five (25) years from the date hereof, and shall thereafter be automatically renewed for successive ten (10) year periods unless and until terminated as provided in , Section 6.3 hereof.

6.3 Termination and Modification.

To the extent set forth in Section 6.4 , the Declarant may supplement these Covenants and Conditions at any time during the term hereof. Otherwise, these Covenants and Conditions and every provision hereof may be terminated, extended, modified or amended, as to the whole of said Subdivision or any portion thereof, with the written consent of the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision, subject to these restrictions: provided, however, that during the initial twenty-five (25) year term of these Covenants, no such termination, extension, modification or amendment shall be effective without the written approval of Declarant so long as the Declarant continues to own any ownership interest in Building Sites within the Subdivision. Such termination, extension, modification or amendment shall be immediately effective upon recording a proper instrument in writing, executed and acknowledged by such Owners (and/or by Declarant as provided herein) in the office of the Recorder of Valley County, Idaho.

6.4 Amendment.

The conditions, restrictions, stipulations and agreements, and covenants contained herein shall not be waived, abandoned, terminated, nor amended except by written consent of sixty-five percent (65%) of the Owners of Building Sites, provided however, the Architectural Control Committee (when appointed by the Declarant) may amend the Covenants and Conditions set forth in Article Three, as provided in Section 4.4, and the Declarant may amend Article One (i) to change the title of the Covenants and Conditions or (ii) to include additional land within the property covered by these Covenants and Conditions so long as such land adjoins (for the purposes of this Section, land separated only by roads and waterways shall be deemed to "adjoin") land then covered by these Covenants and Conditions or such land is included in a Master Plan submitted by Declarant which has or in the future receives approval by Valley County and which incorporates the land described in Article One. In any case, however, any additional land to be covered by these Covenants and Conditions must be owned by Declarant at the time of the Amendment. The Amendment to include such land shall be effected by Declarant having recorded a declaration describing the land to be included, setting forth such additional limitations, restrictions, covenants and conditions as are applicable to such land; and declaring the land is to be held, sold, conveyed, encumbered, leased, occupied and improved subject to the Covenants and Conditions, hereof.

6.5 Governmental Regulations and Laws.

To the extent that the applicable county or other governmental regulations, rules, or codes and ordinances or laws are more restrictive in their allowable land utilization than these Covenants and Conditions, they shall supersede these Covenants and Conditions and govern at all times.

6.6 Assignments of Declarant's Rights and Duties.

Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant to any person, partnership, corporation or association which will assume any or all of the duties of Declarant hereunder, and upon any such person, corporation or association's evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder. The term "Declarant" as used herein includes all such assignees and their heirs, successors and assigns. If at any time Declarant ceases to exist and has not made such an assignment, a successor Declarant may be appointed by the Owners of sixty-five percent (65%) of the Building Sites within the Subdivision upon compliance with the requirements of Section 6.3.

6.7 No Waiver.

All of the covenants and conditions, restrictions and reservations contained in these Covenants and Conditions shall be construed together, but if it shall at any time be held that any one of said Covenants and Conditions, or any part thereof, is invalid, or for any reason becomes unenforceable, no other covenants and conditions, restrictions and reservations or any part thereof, shall be thereby affected or impaired.

6.8 Owner's Liability Subsequent to Sale.

Upon the sale of Building Site, the Owner so selling shall not have any further liability for the obligations thereon which accrue against the Building Site sold after the date of the conveyance; provided, however, that nothing herein shall be construed so as to relieve an Owner of any Building Site from any liabilities or obligations incurred prior to such sale pursuant to these Covenants and Conditions. Furthermore, any such sale shall not enlarge or extend the time for commencement of construction of a building upon a Building Site.

6.9 Personal Liability.

No member of the board or any committee of the Association or any officer of the Association, or the manager, if any, or member of the Architectural Control Committee or of Declarant, or any agent of Declarant, 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 of any act, omission, error or negligence of any such person or entity in the administration or performance of duties imposed by this Declaration of Covenants, Conditions and Restrictions (or any Amendment thereof) provided that such person or entity has, upon the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

6.10 Benefits and Burdens.

The terms and provisions contained in this Declaration of Covenants, Conditions and Restrictions shall bind and inure to the benefit of the Declarant, the Owners and Occupants of all Building Sites located within the Subdivision, and their respective heirs, successors, personal representatives and assigns.

6.11 Notice.

Unless the proposed recipient has provided notice of another address for mailing, all notices shall be in writing and hand delivered or mailed, if mailed, the notice shall be sent postage prepaid and shall be directed as follows: (1) to the address of the Building Site if improved; (2) if the Building Site is not improved to the address set forth in the purchase contract

or purchase contract application; or (3) to the last known address of the Owner. If intended for Declarant, to the address previously set forth herein. If to the Association to the designated address of the Association or the registered agent of the Association.

6.12 Context of Terms.

Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

6.13 Mortgage.

The term "mortgage" as used herein shall include deeds of trust and trust deeds.

IN WITNESS WHEREOF, Declarant has executed this instrument this 23rd day of July 2000.

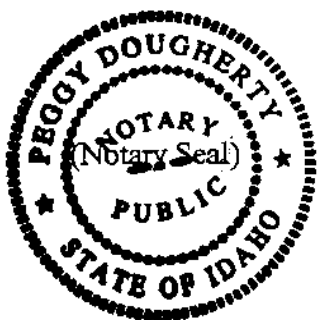
L. B. INDUSTRIES, INC.,

By: James K Ball
James K. Ball, Vice President

(Corporate Seal)

State of Idaho)
)ss.
County of Ada)

On this 23 day of July, 2000, before me, a Notary Public, in and for said State, personally appeared James K. Ball, known to be the Vice President of L. B. Industries, Inc., the corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.



Peggy Dougherty
NOTARY PUBLIC
Residing at: Caldwell
My Commission Expires: 4-6-06

