

2021-003071

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01/14/2021 10:38 AM



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LS RANCH SUBDIVISION HOA INC

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
LS RANCH SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LS RANCH SUBDIVISION is made effective as of the 14th day of JANUARY, 2021 by Lone Star Land, LLC ("Grantor" and/or "Declarant").

**ARTICLE I: RECITALS**

1.1 Property Covered. The property potentially subject to this Declaration of Covenants, Conditions and Restrictions for LS Ranch Subdivision (this "Declaration") is approximately one hundred sixteen (116) acres in the County of Canyon, State of Idaho, which is more particularly described on Exhibit A attached hereto and made a part hereof ("Property"). Declarant desires to establish this Declaration on the Property which will contain residential dwelling units thereon.

1.2 Purpose of Declaration. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively "Restrictions") that will apply to the entire development and use of all portions of the Property. The Restrictions 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 and the Improvements located on the Property.

**ARTICLE II: DECLARATION**

Grantor hereby declares that the Property; and each lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms, covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms, covenants, conditions, easements and restrictions set forth herein: shall run with the land constituting the Property, and with each estate therein, and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; shall 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 Grantor, Grantor's successors in interest and each grantee or Owner and such grantee's

or Owner's respective successors in interest, and may be enforced by Grantor, by any Owner or such Owner's successors in interest, or by the Association.

### ARTICLE III: DEFINITIONS

3.1 "Architectural Control Committee" or "ACC" shall mean the Architectural Control Committee created by Grantor or the Association pursuant to Article IX hereof.

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

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

3.4 "Association" shall mean LS Ranch Subdivision Homeowners' Association, Inc.

3.5 "Association Rules" shall mean those rules and regulations 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.

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

3.7 "Builder" shall be the person, whether or not an Owner, who shall apply for and construct and structures on a Lot.

3.8 "Building Lot" shall mean a lot shown on the Plat upon which Improvements may be constructed. For voting and membership purposes herein, "Building Lot" shall mean each single-family residential Building Lot. Building Lot shall not include Common Area.

3.9 "Bylaws" shall mean the Bylaws of the Association.

3.10 "Common Area" shall mean any or all parcels, of Common Area and shall include, without limitation, all such parcels that are designated as common open space, pedestrian access and walking areas, common landscaped areas, and the storm water, irrigation and drainage areas or facilities. Common Area includes easement and/or license rights which include, without limitation, easements or licenses owned by, for the benefit of or which are the responsibility of the Association. Such easement or license rights include, without limitation, those easements or licenses noted on the plat(s) for the Property and/or LS Ranch Subdivision.

3.11 "Common Facilities" means all real property, including easements or other interests less than fee title, as well as the improvements thereon, owned by the Association for the common use and enjoyment of the Owners or a portion thereof.

3.12 "Declarant" shall have the same meaning as Grantor.

3.13 "Declaration" shall mean this Declaration as it may be amended and supplemented from time to time.

3.14 "Grantor" shall mean Lone Star Land, LLC., an Idaho Limited Liability Company, or its successor in interest, or any person or entity to whom the rights under this Declaration are expressly transferred by Lone Star Land, LLC, or its successor.

3.15 "Improvement" shall mean any structure, facility or system, or other improvement or

object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including, without limitation, residential structures, accessory buildings, fences, streets, drives, driveways, parking areas, sidewalks, bicycle paths, curbs, landscaping, walls, hedges, plantings, trees, living and/or dead vegetation, rocks, signs, lights, mail boxes, electrical lines, pipes, pumps, ditches, waterways, recreational facilities, grading, road construction, utility improvements, removal of trees and other vegetation, plantings, and landscaping, and any new exterior construction or exterior improvement which may not be included in the foregoing.

3.16 "Initial Assessment" shall mean the cost of becoming a member of the Association and relating to establishing the Association, creating the Covenants, Conditions, and Restrictions and any costs associated with the construction and hooking up to any community water systems.

3.17 "Limited Assessment" shall mean a charge against a particular Owner and such Owner's Building Lot, directly attributable to the Owner, equal to the cost incurred by the Association in connection with corrective or other action performed pursuant to the provisions of this Declaration, including interest thereon as provided in this Declaration.

3.18 "Member" shall mean each person or entity holding a membership in the Association.

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

3.20 "Owner" shall mean the record owner, whether one or more persons or entities, including Grantor, holding fee simple interest of record to a Building Lot which is a part of the Property, and buyers under executory contracts of sale, but excluding those persons having such interest merely as security for the performance of an obligation, unless and until such person has acquired fee simple title pursuant to foreclosure or other proceedings.

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

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

3.23 "Project Documents" shall mean the basic documents creating and governing the Property including, without limitation, this Declaration, Articles of Incorporation and Bylaws of the Association, the Association Rules, the Design Guidelines and any procedures, any local government approvals and development agreements, rules, regulations or policies adopted under such documents by an Association or the Architectural Control Committee.

3.24 "Property" shall mean the Property described herein or any portion thereof, including, without limitation, each lot, parcel and portion thereof and interest therein, and all water rights associated with or appurtenant to such property. Based upon the extension of city water the Property will be subject to an annexation agreement. The Property will be annexed into the City of Caldwell when deemed appropriate by the city in the future.

3.25 "Regular Assessment" shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Area and all Improvements located thereon, the cost of building up an adequate reserve fund and the other costs, fees, management fees and expenses incurred to conduct the operation, business and affairs of the Association which is levied against the property of and to be paid by each Owner to the Association pursuant to the terms hereof.

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

authorized to be paid to the Association, pursuant to the provisions of this Declaration.

3.27 "Transfer Assessment" shall mean the fee attributable to the costs associated with the transfer of property located in LS Ranch Subdivision from one owner to another which affects and changes membership and record keeping of the Association.

#### ARTICLE IV: GENERAL AND SPECIFIC RESTRICTIONS

4.1 Improvements - Generally. All Building Lots shall be used exclusively for residential purposes unless otherwise specifically allowed herein. No Building Lot shall be improved except with residential structures and accessory structures as permitted by the Architectural Control Committee and the same have been approved in advance and in writing. This Declaration is not intended to serve as authority for the Architectural Control Committee to control the interior layout or design of residential structures except to the extent incidentally necessitated by use, size and height restrictions. This Declaration is intended to serve as authority for the Architectural Control Committee to use its judgment to see that all Improvements conform and harmonize as to external design, quality and type of construction, architectural character, materials, color, location on the Property, height, grade and finished ground elevation, natural conditions, landscaping, and all other aesthetic considerations.

As part of the purchase agreement a two hundred fifty dollar (\$250.00) ACC Compliance and Landscaping compliance fee shall be collected and paid to the developer at closing. This fee shall be retained as the design review fee. It shall be the lot Owner's responsibility to maintain the lot until completion of construction. All plant growth shall be kept less than six (6) inches in height. No rubbish shall be allowed to accumulate.

The Association, after reasonable notice to the offender and/or to the Owner, may remove any Improvement constructed, reconstructed, refinished, removed, added, altered or maintained in violation of this Declaration and 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 a Class A Member shall be applicable.

4.2 Structures - Generally. All structures are to be designed, constructed, and used in such a manner as to promote compatibility, consistency, quality and integrity and between the types of use contemplated by this Declaration.

4.2.1 Use, Size and Height of Dwelling Structure. All Building Lots shall be used exclusively for single-family residential purposes. No Building-Lot shall be improved except with a single-family dwelling unit or structure. No single-family structure shall have a floor area of less than two thousand four hundred (2,400) square feet for a single level home or three thousand (3,000) for a two story home (min 2000 sq ft on first level), exclusive of garages, patios, breezeways, storage rooms, porches, and similar structures. Single level square feet shall be exclusive of living or "bonus room" space located within the attic of the dwelling.

4.2.2 Garages: All dwellings shall have a minimum size garage to accommodate 3 full size cars. All garages for residences located on lots that access Florida Avenue shall be of "Side Entry" or "Side Load" design unless otherwise approved by the ACC. "Side Entry" or "Side Load" garages are encouraged throughout the development. The ACC will determine the manner in which the garage is designed aesthetically as it pertains to the rest of the dwelling layout. The ACC may require design changes to any design that is submitted as a front load garage. Garage doors will be required to have some architectural detail or windows. RV garage doors will be

allowed as long as they are in matching appearance to the standard size garage doors; however, the location of the RV door(s) in the relation to the home and other doors must be approved by the Architectural Control Committee. Roll-type metal doors will not be allowed. Garage interiors are to be taped and painted at minimum.

4.2.3 Driveways: all driveways shall be constructed of concrete and graded to assure proper drainage. Twelve (12) inch culverts are required and must be placed appropriately for driveway access. The length of said culvert will depend on driveway width per the Canyon Highway District. Owners shall obtain the applicable permit(s) from the highway district for their driveway approach.

All driveways located along Florida Ave will have shared access with the neighboring property as shown on the applicable subdivision plat. These shared accesses shall be the main entrance to the properties and shall be jointly maintained by the respective lot owners.

4.2.4 Accessory Structures. Each lot is allowed to have a separate garage/shop/pool house/casita. In addition, a small storage shed (less than 200 sq ft) shall be permitted on the lot. The shed shall have matching colors of the dwelling/shop including architectural roof shingles. The separate garage/shop/pool house/casita must be submitted to the ACC for approval. Architecture of any detached building must compliment the primary dwelling in aesthetic appearance and must be located in such a manner as to not adversely impact adjoining properties. Pole Barns and/or Metal Buildings will not be allowed.

4.2.5 Exterior of Structure. No change shall be made in the color of paint, stain, or other exterior finish to a dwelling unit or structure without prior written approval by the Architectural Control Committee. Paint colors shall be approved by the ACC. Privacy screening may be accomplished by landscaping as approved by the Architectural Control Committee. The visual harmony and consistent aesthetic appeal of the structures on the Building Lots is a concern to all Owners and has a direct bearing on the value of Building Lots and Improvements thereon. Therefore, the Architectural Control Committee shall have the right to control the texture, design, components, materials and color scheme of the exterior design, walls, fences, roofs and patio roofs of all structures erected upon Building Lots and to require landscaping so, as a whole, the visual harmony and aesthetics of the structure, the improvements and the subdivision are consistent.

As determined by the ACC, excessively long expansive front face elevations will not be allowed for structures. The design of the structure should include multiple broken roof lines, gables or hipped roofs. Expansive unbroken walls visible to the side or front will not be allowed.

No gravel roofs : are permitted. Roofs shall have a minimum four by twelve (4/12) pitch and shall either have thirty (30) year architectural shingles, a metal roof or a tile roof as approved by the Architectural Control Committee. The color of the shingles, metal roofing or roof tiles shall be antique black or as approved in advance and in writing by the Architectural Control Committee. Exterior colors/materials in neutral or earth tone colors are encouraged.

Stone/Siding/Stucco: the ACC will take into account the use of Stone/Stucco/Siding products as they relate to the architectural design of the dwelling. A minimum percentage of these materials is not strictly established herein but rather discretion is provided to the ACC as to the use and design of these materials. The ACC will evaluate the amount of these materials used on a design submittal as it relates to the Architectural integrity of the structure overall.

These types of siding materials will not be allowed: cottage lap; vinyl and steel/metal/aluminum. Fiber cement products are encouraged to be utilized.

Fascia/Soffit and design features: The dwelling design will require all exterior gables to have multiple (2 or more) fascia layers. Horizontal fascia must be a minimum eight (8) inches around the house. Gables must have a minimum base layer ten (10) inches in width with an accent no less than four (4) inches. These must be labeled on the architectural drawings submitted to the ACC

4.2.6 Location on Building Lot. Plans which include the location of the structures on the Building Lot shall be submitted to the Architectural Control Committee for their review and approval prior to construction. All utility facilities and/or systems used in connection with a Building Lot shall be placed underground.

Setbacks: Setbacks will follow the standard from Canyon County with the exception of the following minimum setback:

Front setback will be 45' from the front property line. A Site plan will allow space for standard septic system placement per requirement from the local health department.

4.2.7 Fences and other Boundaries. Fences, hedges, high plantings, obstructions or barriers shall be so situated as not to interfere with the enjoyment and use of neighboring lots and streets or constitute an undesirable nuisance or noxious use. The determination on the Architectural Control Committee is binding on all parties.

Each lot will be initially provided with a 4ft three rail vinyl fence along the rear property line and along the side property lines up to approximately sixty (65) feet from the front property line. Following the initial sale of an applicable Building Lot by Declarant, this fence becomes, for the portion(s) of the fence that abut different Building Lots, the shared property of the Owners of each Building Lot abutting that portion of the fence. The fencing that abuts a Common Lot is the property of the Owner of the Building Lot. Building Lot Owners shall equally share and promptly pay their share of the costs of ongoing upkeep, repair and replacement of this fence. For purposes of enforcement of this section 4.2.7 by the HOA, said Owners are jointly and severally liable to pay said costs and the HOA may pursue enforcement against one or all applicable Owners. Failure to participate in these shared costs is a violation of this Declaration which may be enforced by the HOA or the other Building Lot Owner. The HOA, after 30 days notice, may go on the Building Lots and perform the necessary repairs, replacement or maintenance of the fence and the associated costs shall be a Limited Assessment against the applicable Owner(s).

(a) All fences and/or rear yard access gates will need to match in color and vinyl material of the fence installed by the Grantor. No fence shall be constructed without the prior written approval of the fencing design and materials by the Architectural Control Committee.

(b) Screening fences shall be allowed around parking or privacy areas. These fences shall not exceed six (6) feet in height unless approved by the Architectural Control Committee and they shall be constructed of the same vinyl material as the perimeter fence.

(c) No fence or rear yard access gates shall extend beyond the front plane of the home.

(d) All fences and walls shall be constructed and installed and maintained in good appearance and condition at the expense of the Owner of the Building Lot on which they are located and all damaged fencing and walls shall be repaired or replaced to original design, materials and color within a reasonable time after said damage occurs.

(e) No fence or wall shall interfere with the use and enjoyment of any easement

shown on the Plat or described herein.

(f) Wire may be allowed to be attached to the individual property side of the three rail fence for pet security purposes. The wire type and attaching brackets must be approved by the ACC prior to installation.

4.2.8 Completion of Construction. Once any Owner of a Building Lot shall have commenced the construction of a dwelling unit or structure, such construction shall be completed within twelve (12) months thereafter. The term "commenced the construction" as used in this subparagraph 4.2.6 shall mean the start of actual physical construction activities upon such dwelling unit or structure upon such Building Lot. Within 6 months of purchase of any Building Lot, Owner must begin construction.

4.2.9 Lighting.

(a) Exterior Lighting. No exterior lighting shall be installed or maintained on any lot (or structure thereon) which unreasonably interferes with the use and enjoyment of adjacent lots as determined by the Architectural Control Committee, or without prior approval of the proposed installation by the Architectural Control Committee. Lighting must be directed downward by design.

4.2.10 Post light/mailbox requirement: Each lot shall have an installed, of a type and in a location approved by the ACC, mailbox monument stand with an automatic day/night post light. The monument design shall be at minimum 24"x24"x48" tall and be constructed of masonry block with stone to match the house. The mailbox shall be a lockable metal box with approximate dimensions of 14" tall by 11" wide by 21" deep. The height and position of the actual mail opening shall be in accordance with applicable the United States Postal Service standard.

4.3 Exterior Maintenance: Owner's Obligations. No Improvement shall be permitted to fall into disrepair, and each Improvement shall at all times be kept in good condition and repair. In the event that any Owner shall permit any Improvement, including trees and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or damages property or facilities on or adjoining their Building Lot which would otherwise be the Association's responsibility to maintain, the Board, upon thirty (30) days prior written notice to the Owner of such property, shall have the right to correct such condition, and to enter upon such Owner's Building Lot for the purpose of doing so, and such Owner shall promptly reimburse the Association 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 property shall be personally liable, and such Owner's property may be subject to a mechanic's lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days-after receipt of written demand therefore, or the amounts may, at the option-of the Board, be added to the amounts payable by such Owner as Regular Assessments.

4.4 Landscaping. Each lot shall have installed and completed the minimum landscape improvements established by the ACC within 30 days of receipt of certificate of occupancy with an exception given for the months of November through February during which the portion of the 30 day timeline falling during these months shall be delayed and resume March 1

Landscaping plans must be submitted to the Architectural Control Committee for approval. The plans must include sod or hydro seed in the front and rear yards. The Architectural Control Committee shall adopt and amend, from time to time, guidelines regulating landscaping permitted and required. In

the event that any Owner shall fail to install and maintain landscaping in conformance with such guidelines, or shall allow such Owner's landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board, upon thirty (30) days' prior written notice to such Owner, shall have the right to correct such condition and to enter upon such Owner's property 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. Landscaping, as approved by the Architectural Control Committee, must be completed prior to occupancy or an amount equal to the cost of landscaping deposited in escrow with the closing agent. For landscaping which cost is held in escrow not installed within 60 days (not including the months of November through February), the Association may install landscaping at Owner's expense, subject to the lien rights created in Article VII below. Each Owner is responsible for sodding, irrigating and mowing grass to the road edge.

**Storm Swales:** All lots not located along Florida Ave shall have a 18" to 24" deep swale located along the front of all lots. This swale shall be 15' wide starting at the edge of pavement. The design of this swale is such to allow water run-off from the road to travel to supplied storm retention areas within the subdivision. Owners are to adhere to the ACC approved design guideline and maintain the integrity of it across the entire front of their lot. 12" Culverts shall be placed appropriately for driveway crossings.

The parkway landscape strip along Florida between the curb and sidewalk fronting each lot shall be landscaped and maintained by the owner with an automatic underground sprinkler system with sod and trees as required by the ACC. Parkway trees shall be pruned and maintained in such a manner that they do not interfere with pedestrian or vehicular traffic. The Parkway Trees along Florida shall follow these requirements to be installed by the lot owner at the time of landscaping the lot:

The developer will identify species of trees that will be required to be placed in this area by each homeowner during construction/landscaping of each lot. The type, spacing and amount of trees will meet the requirement of Caldwell right-of-way specifications. They will be required to be placed and maintained at the lot owners expense during landscaping of the lot.

Exterior mounted utility meters, heat pumps, air conditioners, and other such equipment shall be properly screened from view of the street and surrounding homes by landscaping or fencing.

4.5 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, including the Common Area or vacant Building Lots, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the Property or to its occupants, or to any other property in the vicinity thereof or to its occupants. No business, home occupation (as defined in applicable city or county code), no noise, no exterior fires, no obstructions of pedestrian walkways, no unsightliness, or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive, disruptive or detrimental to the Property or to its occupants or to other property, in the vicinity or to its occupants, as determined by the Board, in its reasonable judgment, or in violation of any state or local law or ordinance. Without limiting the generality of any of the foregoing, no whistles, bells or other sound devices (other than security devices used exclusively for security purposes which have been approved by the Association), flashing lights or search lights, shall be located, used or placed on the Property without the prior written approval of the Association. No unsightly articles shall be permitted to remain on any Building Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage, trash, equipment, gas canisters, propane gas tanks, heat pumps, compressors, containers, lumber, firewood, grass, shrub or tree clippings, plant ways, metals, bulk material, scrap shall be kept at all times in such containers and in areas approved by the Architectural Control Committee.



4.6 No Hazardous Activities. No activities shall be conducted on the Property, and no Improvements constructed on any property, which are unsafe or hazardous to any person or property as reasonably determined by the Board.

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

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

4.9 Vehicles. The use of all vehicles, including, without limitation, trucks, automobiles, bicycles, motorcycles, recreational vehicles, motor homes, motor coaches, campers, trailers, snowmobiles, aircraft, boats, shall be subject to the Declaration. No on-street parking shall be permitted except where expressly designated for parking use. This restriction, however, shall not be deemed to prohibit commercial and construction vehicles, in the ordinary course of business, from making deliveries or otherwise providing service to the Property or for construction of improvements by Grantor or Owners, during ordinary business hours; provided, however, that such use shall not unreasonably bother or constitute a nuisance to others as determined by the Board in its reasonable judgment. Vehicles parked shall not extend into any sidewalk or bicycle path or pedestrian path. No abandoned or inoperable, oversized, dilapidated or unrepaired and unsightly vehicles or similar equipment such as snow removal equipment, garden maintenance equipment and all other 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 enclosed by a structure concealing them from view in a manner approved by the Architectural Control Committee. "Abandoned or inoperable vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of two (2) weeks or longer; provided, however, this shall not include vehicles parked by owners while on vacation. "Oversized" vehicles shall be defined as vehicles, which are too high to clear the entrance to a standard residential garage.

4.10 Animals. No animals, horses, cows, goats, pigs or other livestock of any kind shall be raised, bred or kept on any Lot, except that of 3 total pets limited to dogs, cats, or other household pets may be kept by Owners, provided they are not kept, bred or maintained for any commercial purpose, do not endanger the health of other residents, are not allowed off the Lot of the pet's owner except when leashed or otherwise under someone's direct control, and, in the sole discretion of the Board of Directors, do not unreasonably disrupt the occupants of any other Lot or constitute a nuisance. Owners may have chickens which are kept within their own Lot but no roosters are permitted. If a kennel area is to be constructed on the property, this enclosed area must be screened from view and shall not unreasonably interfere with or disrupt the use of a neighboring property or the enjoyment of such.

4.11 No Temporary Structures. No house trailer, mobile home, tent (other than for short term individual use), shack or other temporary building, improvement or structure shall be placed upon any portion of the Property, except temporarily as may be required by construction activity undertaken on the Property.

4.12 Drainage. There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Control Committee. For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the

overall grading of any portion of the Property is completed by Grantor, or that drainage which is shown on any plans approved by the Architectural Control Committee, which may include drainage from Common Area over any Building Lot in the Property. Each Building Lot Owner agrees that they are aware that groundwater levels rise during irrigation months. A site drainage plan shall be incorporated into an approved landscape plan to demonstrate the ability to retain all site drainage to the subject site.

4.13 Grading. The Owner of any Building Lot within the Property in which grading or other work has been performed pursuant to a grading plan approved under applicable provisions of Canyon County Code 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 Regular, Special, and Limited Assessments provided for herein.

4.14 Water Supply System, Sewer System, and Pressurized Irrigation System. Domestic water is provided by the City of Caldwell. Pressurized water for irrigation will be supplied by the Association's irrigation system. Declarant intends there to be two separate pressurized irrigation systems operated from two different points of distribution. Phases 1 and 4 and phases 2 and 3 as noted on the applicable plat(s) will be operated from the different points of distribution on different systems. Assessments for the construction, installation and maintenance of the two systems will be made and handled separately for the applicable Owners. Declarant or the Association may change this plan and alter or combine the separate irrigation systems. Pressurized water for irrigation will be under the future ownership, regulation and monitoring of the Homeowner's Association, who may at their discretion contract with an outside provider to monitor and maintain the systems. The Property will be annexed into the city in the future and ownership of the pressurized irrigation system(s) will be transferred to the City of Caldwell upon annexation of the Property or applicable portions thereof into the city.

4.15 Sewage Disposal/Sewer Locations: No sewage disposal system is provided by Declarant. Each lot shall be served by an individual sewage disposal system to be designed, located and constructed at the Building Lot Owner's sole expense in accordance with the requirements, standards and recommendations of the Southwest District of Health Department. Should lot owner(s) within the LS Ranch desire to receive municipal sewer service in the future, or should the City determine that a sewer system shall be constructed within the subdivision to service the subdivision, the then current lot owners shall be individually and collectively responsible for the costs of extending and providing said services within the SUBDIVISION, and for the cost of individual sewer connections to each of their lots, in accordance with then applicable CITY standards, specifications and fees.

4.18 No Further Subdivision. No Building Lot may be further subdivided unless expressly approved by Grantor and Canyon County.

4.19 No Businesses. Business which cannot be conducted within the residence of the owner shall not be conducted on the Building Lots, including but not limited to, commercial kennels of any kind. Signs shall not be installed to advertise a business of any kind and no more than four (4) visitor trips per day related to an appropriate business may occur at any one Building Lot.

4.20 Grantor Right of Development. Nothing contained herein shall limit the right of Grantor to subdivide or re-subdivide any portion of the Property, to grant licenses, to reserve rights-of-way and easements to utility companies, public agencies or others, or to complete excavation, grading and construction of Improvements to and on any portion of the Property, or to alter the foregoing and its construction plans and designs, or to construct such additional Improvements as Grantor deems advisable in the course of development of the Property so long as any Building Lot in the Property remains unsold. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of Grantor's business of completing the work and disposing of the same by sales lease or otherwise.

Grantor shall have the right at any time prior to acquisition of title to a Building Lot by a purchaser from Grantor to grant, establish and/or reserve on that Building Lot additional licenses, reservations and rights-of-way to Grantor, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. Grantor may use any structures owned by Grantor on the Property as model home complexes or real estate sales or leasing offices. Grantor need not seek or obtain Association or Architectural Control Committee approval of any Improvement constructed or placed by Grantor on any portion of the Property owned by Grantor. Grantor may annex additional adjacent property into the subdivision and make it part of the Property and subject to this Declaration by filing and amendment to this Declaration. Such annexation does not require approval of the Association. The rights of Grantor hereunder may be assigned by Grantor to any successor in interest in connection with Grantor's interest in any portion of the Property; by an express written assignment recorded in the Office of the Canyon County Recorder.

No provision of this Declaration shall be construed as to prevent or limit Grantor's right to complete development of the Property and to construct improvements thereon, nor Grantor's right to maintain model homes, construction, sales or leasing offices or similar facilities on any portion of the Property, including the Common Area or any public right-of-way, nor Grantor's right to post signs incidental to construction, sales or leasing. At all times, and under all circumstances, Grantor shall not be required to obtain any consent or approval from any Owner or Owners or the Association or Architectural Control Committee in order for Grantor to complete development of the Property and construct improvements thereon.

Grantor, in Grantor's sole discretion, and with the approval Canyon County, may amend and modify the development plans or schemes for the Property in existence prior to or following the effective date of this Declaration such development plans are subject to change at any time by Grantor, and impose no obligation on Grantor as to how the Property is to be developed or improved. By acceptance of a deed to any property in LS Ranch Subdivision, each Owner of such property thereby acknowledges and agrees the development plans and schemes for the property, may be amended, modified or changed in Grantor's sole discretion.

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

## ARTICLE V: LS RANCH SUBDIVISION HOMEOWNERS' ASSOCIATION

5.1 Organization of LS Ranch Subdivision Homeowners' Association. LS Ranch Subdivision Homeowners' Association, Inc. (the "Association") shall be initially organized by Grantor as an Idaho non-profit corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Project Documents. Neither the Articles nor the Bylaws shall be adopted, amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. Each Owner shall abide by and benefit from the provisions, covenants, conditions and restrictions contained in the Project Documents.

5.2 Membership. Each Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Association, and no Owner, except Grantor, shall have more than one membership in the Association. Memberships in the Association shall be appurtenant to the Building Lot owned by such Owner. The memberships in the 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 Association.

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

5.3.1 Class A Members. Owners shall be known as Class A Members. Each Class A Member shall be entitled to one vote for each Building Lot owned by such Class A Member on the day of a vote.

5.3.2 Class B Members. Grantor, shall be known as the Class B Member, and shall be entitled to thirty (30) votes for each of the approved Building Lots owned by Grantor. The Class B Member shall cease to be a voting Member in the Association when the Class B Member holds no votes.

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

5.4 Meetings of Association. Each year the Association shall hold at least one meeting of the Members, according to the schedule for such meetings established by the Bylaws. Only Members shall be entitled to attend Association meetings, and all other persons may be excluded. Notice for all Association meetings, regular or special, shall be given as provided in the Bylaws. All meetings shall be held within the Property or as close thereto as practical at a reasonable place selected by the Board. The presence at any meeting in person of the Class B Member where there is such a Member or of the Members representing Owners holding at least thirty percent (30%) of the total votes of all Members, shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present may adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was scheduled, without notice other than announcement at the meeting. At such second meeting, the presence of the Class B Member, where there is such a Member, or of the Members holding at least ten percent (10%) of the-total votes of all Members, shall constitute a quorum.

5.5 Board of Directors and Officers. The affairs of the Association shall be conducted and managed by a Board of Directors (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 of the Association shall be elected in accordance with the provisions set forth in the Bylaws.

5.6 Power and Duties of the Association.

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

5.6.1.1 Assessments. The power to levy Assessments on any Owner or any portion of the Property and to force payment of such Assessments, all in accordance with the provisions of the Project Documents.

5.6.1.2 Right of Enforcement. The power and authority from time to time in its own name on its own behalf, or on behalf of any Owner who consents thereto/to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Project Documents, and to enforce by injunction or otherwise, all provisions hereof. The Association (typically through the Board, Architectural Control Committee and/or any management company) shall have the authority and power to interpret and apply the provisions of this Declaration which power may be delegated pursuant to Section 5.6.1.3 below.

5.6.1.3 Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any person, firm or corporation-to-act as manager, and to contract for the maintenance, repair, replacement and operation of the Common Area. These powers include, without limitation, hiring an entity or individual to manage the Association. Neither the Association nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated.

5.6.1.4 Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Association deems reasonable. The Association may govern the use of the Common Area by the Owners, their families, invitees, licensees, lessees or contract purchasers, including, without limitation, the use of Common Area for organized recreational activities; provided, however, that the Association Rules shall apply equally to all Owners and shall not be inconsistent with the Project Documents. 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 of any conflict between such Association Rules and any other provisions of the Project Documents, the provisions of the Association Rules shall be deemed to be superseded by the provisions of the Project Documents to the extent of any such inconsistency.

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

5.6.1.6 Licenses, Easements and Rights-of-Way. The power to grant and convey

to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Common Area, and for the preservation of the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

5.6.1.6.1                    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.

5.6.1.6.2                    Public sewers, 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.

5.6.1.6.3                    Mailboxes and sidewalk abutments around such mailboxes or any service facility, berm, fencing and landscaping abutting common areas, public and private streets or land conveyed for any public or quasi-public purpose including, without limitation, bicycle pathways.

The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Association and may be granted at any time prior to twenty-one (21) years after the death of the issue of the individuals executing this Declaration on behalf of Grantor who are in being as of the date hereof.

5.6.2 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 Association or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the following duties:

5.6.2.1 Operation and Maintenance of Common Areas and Improvements. Operate, maintain, and otherwise manage or provide for the operation, maintenance, repair, replacement and management of the Common Area(s) and improvements located thereon.

5.6.2.2 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 operation, repair, replacement, maintenance and improvement of the Common Areas and improvements.

5.6.2.3 Maintenance of Berms, Retaining Walls and Fences. Maintain, if any, and without limitation, the berms, retaining walls, fences and water amenities within the Common Areas.

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

Association is denied the status of a tax exempt corporation.

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

5.6.2.6 Insurance. Obtain insurance from reputable insurance companies authorized to do business in the State of Idaho, and maintain in effect any insurance policy the Board deems necessary or advisable. 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. Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Association.

5.6.2.6.1 Each Owner may obtain insurance at such Owner's own expense providing coverage upon such Owner's Building Lot, such Owner's personal property, for such Owner's personal liability, and covering such other risks as such Owner may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this article. All such insurance shall waive the insurance company's right of subrogation against the Association, the other Owners, and the servants, agents and guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation. Proceeds of such insurance claims shall be paid to the owner of the Building Lot and/or the mortgagee in connection with the Building Lot.

5.6.2.7 Rule Making. Make, establish, promulgate, amend and repeal such Association Rules as the Board shall deem advisable;

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

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

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

5.7 Budgets and Financial Statements. Financial statements and records for the Association shall be prepared regularly and kept by the Association. Owners will be provided copies upon request.

5.8 Manager. The Association may employ or contract for the services of a professional manager, provided that each such contract shall be subject to cancellation by the Association on a ninety (90) days or less prior notice 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 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 written instrument executed by or on behalf of the Board.

5.9 Personal Liability. No Member of the Board, or member of any committee of the Association, or any officer of the Association, or Grantor, or the manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account 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, Grantor, 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.

## ARTICLE VI: RIGHTS TO COMMON AREAS

6.1 Use of Common Areas. Every Owner shall have a right to use each parcel of the Common Area subject to rules and regulations adopted by the Association, which right shall be appurtenant to and shall pass with the title to every Building Lot and be subject to the following provisions:

6.1.1 The utility systems such the pressurized irrigation system and water system structures are excluded from the common area access rights. Access to this facility is reserved for operating personnel and members that have been authorized by the Association.

6.1.2 The right of the Association holding or controlling such Common Area to levy and increase Assessments.

6.1.3 The right of the Association to suspend the voting rights and rights to use of, or interest in, Common Area by an Owner for any period during which any Assessment or charge against such Owner's Building Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Association Rules.

6.1.4 The right of the Association to dedicate or transfer all or any part of the Common Area and corresponding Improvements, to any public agency, authority or utility for such purposes and subject to such conditions as may be permitted by the Articles, Bylaws and-agreed to by-the Members. Notwithstanding the foregoing, the Association's irrigation systems and Common Areas corresponding to said irrigation system and the potable water system owned by the City of Caldwell will be dedicated to the City of Caldwell upon annexation of the Property or any applicable portion thereof.

6.1.5 The right of such Association to prohibit the construction of structures or Improvements on all Common Areas.

6.1.6 The right of the Association to limit the number of Members permitted to use the Common Area, or a portion thereof, at any one time..

6.1.8 The right of the Association to publish reasonable rules and regulations governing the use of the Common Area.

6.2 Designation of Common Area . Grantor shall designate and reserve Common Area in the Declaration and/or recorded Plats, deeds or other instruments and/or as otherwise provided herein.

6.3 Delegation of Right to Use. .Any Owner may delegate, in accordance with the Bylaws, such Owner's right of enjoyment to the Common Area to the members of such Owner's family in



residence, and such Owner's tenants or contract purchasers who reside on such Owner's Building Lot. Only Grantor or the Association shall have the right to delegate the right of enjoyment to the Common Area to the general public, and such delegation to the general public shall be for a fee set by Grantor or Association.

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

## ARTICLE VII: ASSESSMENTS

7.1 Covenant to Pay Assessments. By acceptance of a deed to any Building Lot in LS Ranch Subdivision each Owner of such Building Lot thereby covenants and agrees to pay when due all Assessments or charges made by the Association, including all Regular, Special and Limited Assessments and charges made against such Owner pursuant to the provisions of this Declaration or other applicable instrument.

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

7.1.2 Assessment is Personal Obligation. Each such Assessment, together with 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. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them but shall remain such Owner's personal obligation regardless of whether he remains an Owner.

7.2 Uniform Rate of Assessment. All Assessments, Regular and Special shall be fixed at a uniform rate for each Building Lot.

7.3 Initial Assessment. All owners are obligated to pay a one time fee or Initial Assessment of Two Hundred Fifty dollars (\$250.00) to the Association at the time of purchase of a Lot in the LS Ranch Subdivision. This applies to all future purchases and should be paid at closing.

7.4 Regular Assessments. The annual Regular Assessment is currently six hundred dollars (\$600.00); however, this annual Regular Assessment may be modified by the Board as provided herein. All Owners are obligated to pay Regular Assessments to the Association on a schedule of payments established by the Board.

7.4.1 Purpose of Regular Assessments. The proceeds from Regular Assessments are to be used to pay for all costs, fees and expenses incurred by the Association, including without limitation, legal and attorneys fees and other professional fees, for the conduct of its business and affairs, which include without limitation the costs and expenses of construction, improvement, protection, maintenance, repair, replacement, management and operation of the Common Areas, including all Improvements located on such areas owned and/or managed and maintained by such Association (the "Operating Expenses"), and an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements of the Common Area, improvements 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."

7.4.2 Computation of Regular Assessments. The Association shall compute the amount of its Expenses on an annual basis. The Grantor may establish the initial Regular Assessment amount for the first partial year of existence of the Association. Thereafter, the computation of Regular Assessments shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of the Association.

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

7.5 Special Assessments.

7.5.1 Purpose and Procedure. In the event that the Board of the Association shall determine that its respective Regular Assessment for a given calendar year is or will be inadequate to meet the Expenses of such Association for any reason, including, without limitation, costs of construction, reconstruction, unexpected repairs or replacement of Improvements upon the Common Area, attorney's fees and/or litigation costs, other professional fees, or for any other reason, the Board thereof shall determine the approximate amount necessary to defray such Expenses and levy a Special Assessment against the portions of the Property within its jurisdiction which shall be computed in the same manner as Regular Assessments. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

7.5.2 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.

7.6 Limited Assessments. Notwithstanding the above provisions with respect to Regular 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 Building Lot into compliance with the provisions of the governing instruments for LS Ranch Subdivision.

7.7 Transfer Assessment. Notwithstanding the above provisions with respect to Initial, Regular and Special Assessments, there shall be a two hundred dollar (\$200.00) one time Transfer Assessment fee at the time that any Owner transfers, conveys, or sells property in LS Ranch Subdivision to another.

7.8 Assessment Period. Unless otherwise provided in the Project Documents, the Assessment period shall commence on January 1 of each year and terminate December 31 of each year. The first Assessment shall be pro-rated according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments. All Assessments shall be billed and paid in advance, not in arrears.

7.9 Notice and Assessment Due Date. Ten (10) days prior written notice of Regular and Special Assessments shall be sent to the Owner of every Building Lot subject thereto, and to any person in possession of such Building Lot. The due dates for installment payment of Regular Assessments and Special Assessments shall be the first day of each month unless some other due date is established by the Board. Each monthly installment of the Regular Assessment or Special Assessment shall become

delinquent if not paid within ten (10) days after the levy thereof. There may accrue, at the Board's uniform discretion, with each delinquent installment payment a late charge equal to ten percent (10%) of the delinquent installment. In addition, each installment payment which is delinquent for more than twenty (20) days may accrue, at the Board's uniform discretion, interest at eighteen percent (18%) per annum calculated the date of delinquency to and including the date full payment is received by the Association. The Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Building Lot as more fully provided herein. Each Owner is personally liable for Assessments, together with all interest, costs and attorneys' fees, and no Owner may exempt such Owner from such liability by a waiver of the use and enjoyment of the Common Areas, or by lease or abandonment of such Owner's Building Lot.

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

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

7.12 Initial and Transfer Assessment Changes. The Board of the Association, may at its discretion, and from time to time, increase the initial and transfer assessment fees as are necessary and reasonable.

## ARTICLE VIII: ENFORCEMENT OF ASSESSMENTS; LIENS

8.1 Right to Enforce. The Association has the right to collect and enforce its Assessments pursuant to the provisions hereof. Each Owner of a Building Lot, upon becoming an Owner of such Building Lot shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy obtained against such Owner. The Board or its authorized representative may enforce the obligations of the Owners to pay such Assessments by commencement and maintenance of a suit at law or in equity, or the Board may exercise the power of foreclosure and sale pursuant to this Article 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. Individual Owners may enforce the provisions of this Declaration against other Owners. If an Owner(s) pursues an action to enforce the provisions of this Declaration the prevailing party(ies) is entitled to be reimbursed their reasonable attorney's fees and costs from the non-prevailing party.

## 8.2 Assessment Liens.

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

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

8.3 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court or by sale by the Association establishing the Assessment, its attorney or other person authorized to make the sale. Such sale shall be conducted in accordance with the provisions of the Idaho Code applicable to the exercise of powers of sale permitted by law. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any title company authorized to do business in Idaho as trustee for the purpose of conducting such power of sale or foreclosure.

8.4 Required Notice. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of the notice of delinquency and claim of lien, whether judicially, by power of sale or otherwise, until the expiration of thirty (30) days after a copy of such claim of lien has been deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Building Lot(s) described in such notice of delinquency and claim of lien, and to the person in possession of such Building Lot(s) and a copy thereof is recorded by the Association in the Office of the Canyon County Recorder.

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

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

8.7 Property Exempt from Assessments: The following property subject to this Declaration shall be exempt from the assessments created herein:

- (a) Properties expressly dedicated to and accepted by a local public authority;
- (b) Lots or Common facilities owned by the Association.
- (c) Unsold lots owned by the Declarant.

#### ARTICLE IX: ARCHITECTURAL CONTROL COMMITTEE

9.1 General Improvements on the Property shall be made in conformity with any LS Ranch Subdivision design guidelines (the "Design Guidelines") and the Project Documents. No Improvements on any portion of the Property shall be constructed, placed or removed, except those of Grantor, without Architectural Control Committee approval as provided by the Design Guidelines and the Project Documents. The Design Guidelines are designed to protect the special qualities and integrity of LS Ranch Subdivision and to encourage creative design of consistent character and quality, by providing general architectural/design and construction guidelines, landscape guidelines (including a description of existing, natural conditions, and vegetation), submittal and review procedures, and fees and charges for review. 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 as to external design, quality and type of construction, architectural character, materials, color, location, height, grade and finish ground elevation, natural conditions, landscaping and all aesthetic considerations as set forth in the Project Documents. The content of the Design Guidelines may be modified and amended from time to time as provided in the Design Guidelines.

9.2 Creation: Grantor's Right of Appointment. Within thirty (30) days of the date on which Grantor first conveys a Building Lot to an Owner, Grantor shall appoint three (3) individuals to serve on the LS Ranch Subdivision Architectural Control Committee (the "Architectural Control Committee" or "ACC"). Thereafter, at any time, and from time to time, until such time as the Class B Membership is terminated, Grantor shall have the exclusive right, in Grantor's sole discretion, to appoint, remove and replace all members of the Architectural Control Committee. The Class B Membership on the Architectural Control Committee shall be terminated after all Lots in all phases are sold and/or transferred from Grantor. At all other times, the Board of the Association shall have the right to appoint, remove and replace all members of the Architectural Control Committee. If a vacancy on the Architectural Control Committee occurs and a permanent replacement has not yet been appointed, Grantor or the Board, as the case may be, may appoint an acting member to serve for a specified temporary period not to exceed one (1) year. A member of the Architectural Control Committee need not be an Owner. Members of the Architectural Control Committee may be removed by the person appointing them at any time without cause. The Architectural Control Committee shall review, study, and either approve or reject the proposed Improvements on the Property, all in compliance with the Project Documents. The actions of the Architectural Control Committee in the exercise of its discretion by its approval or disapproval of the proposed Improvements on the Property, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

9.3 Review of Proposed Construction. The Architectural Control Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to the

Project Documents and may inspect construction in progress to assure its conformance with plans approved by the Architectural Control Committee. The Architectural Control Committee with the consent of the Board 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.

9.3.1 Conditions on Approval. The Architectural Control Committee may condition its approval of proposals or plans and specifications upon such changes therein as it deems appropriate, and/or upon the agreement of the Owner submitting the same ("Applicant") to grant appropriate easements to an Association for the-maintenance thereof, and/or upon the agreement of the Applicant to reimburse an Association for the cost of maintenance, and may require submission of additional plans and specifications or other information before approving or disapproving material submitted.

9.3.2 Architectural Control Committee Rules and Fees. The Architectural Control Committee also may establish rules and/or guidelines setting forth procedures for and the required content of the applications and plans submitted for approval. Such rules may require a fee to accompany each application for approvals or additional factors which it will take into consideration in reviewing submissions. 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 licensed by the State of Idaho, as provided-above, or for such other purposes as established by the Board, and such fee shall be refundable to the extent not expended for the purposes herein stated.

Such rules and guidelines may establish, without limitation, specific rules and regulations regarding design and style elements, landscaping and fences and other structures as well as special architectural guidelines applicable to Building Lots located adjacent to public and/or private open space.

9.3.3 Detailed Plans. 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, landscape plans, drainage plans, elevation drawings and descriptions or samples of exterior material and colors. 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.

9.3.4 Architectural Control Committee Decisions. Decisions of the Architectural Control Committee and the reasons therefore shall be transmitted by the Architectural Control Committee to the Applicant at the address set forth in the application for approval within thirty (30) days after filing all materials required by the Architectural Control Committee. Any materials submitted pursuant to this Article XI 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.

9.4 Meetings of the Architectural Control Committee. The Architectural Control Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural Control Committee may from time to time by resolution unanimously adopted in writing, designate a Architectural Control Committee representative (who may, but need not be one of its members) to take any action or perform any duties for and on behalf of the Architectural Control Committee, except the granting of variances pursuant to paragraph 9.9. In the absence of such designation, the vote of any two (2) members of the Architectural Control Committee, or the written consent of any two (2) members of

the Architectural Control Committee taken without a meeting, shall constitute an act of the Architectural Control Committee.

9.5 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.

9.6 Compensation of Members. The members of the Architectural Control Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder and except as otherwise agreed by the Board.

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

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

9.7.2 Within sixty (60) 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 sixty (60) day period, specifying the particular noncompliance, and shall require the Owner to remedy the same.

9.7.3 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 the non-complying 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 the Project.

9.7.4 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.

9.8 Non-Liability of Architectural Control Committee Members. Approval by the Architectural Control Committee does not necessarily assure approval of the Improvements by any appropriate governmental or quasi-governmental agency, board or commission. The Architectural Control Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and to the Property generally. The Architectural Control Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of building, landscaping, color schemes, exterior finishes and materials and similar

features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of any plan or design, from the standpoint of structural safety or conformance with building or other codes. Notwithstanding that the Architectural Control Committee has approved Improvements, plans and specifications, neither the Architectural Control Committee nor any of its members shall be responsible or liable to the Association or to any person, Owner, or Grantor with respect to any loss, liability, claim or expenses 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, Architectural Control Committee or any agent thereof nor Grantor or any of its partners, employees, agents or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Design Guidelines or this Declaration, 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 and indemnified and held harmless by the Association in any such suit or proceeding which may arise by reason of the Architectural Control Committee's decision. The Association; however, shall not be obligated to defend, indemnify and hold harmless each member of the Architectural Control Committee to the extent any such member of the Architectural Control Committee shall be adjudged to be liable for negligence or misconduct in the performance of such member's duty as a member of the Architectural Control Committee, unless and then only to the extent that the court in which such action or suit may be brought shall determine that, despite the adjudication of liability; but in view of all circumstances of the case, such member is fairly and reasonably entitled to indemnification and defense for such expense if such court shall deem proper.

9.9 Variances. The Architectural Control Committee may authorize variances from compliance with any of the architectural provisions of the Project Documents, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. However, no variances will be granted for construction of structures or Improvements, in the Common Areas. Such variances must be evidenced in writing, must be signed by at least two (2) members of the Architectural Control Committee, and shall become effective upon recordation in the office of the County Recorder of Canyon County. The Architectural Control Committee may also grant variances in the form of extensions of timeframes applicable to Owners in up to thirty (30) day increments the total of which shall not exceed ninety (90) days. If such variances are granted, no violation of the covenants, conditions or restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Building Lot and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting such Owner's use of the Building Lot, including but not limited to zoning ordinances or requirements imposed by any governmental or municipal authority.

## ARTICLE X: EASEMENTS

10.1 Owners: Easements of Enjoyment. Every Owner shall have a nonexclusive easement for the use and enjoyment of the Common Area which shall be appurtenant to and shall pass with the title to every Building Lot, subject to the easements and other provisions set forth in this Declaration, as supplemented and amended from time to time. The public water system structures, the pressurized irrigation system structures, and the sewer system structures, if any, are excluded from the common area easement right. Access to these facilities is reserved for operating personnel and members that have been authorized by the Association.

10.2 Delegation of Use. Any Owner may delegate, in accordance with the Articles, Bylaws, this Declaration and the Rules and Regulations, such Owner's right of enjoyment in the Common Area,



to such Owner's tenants, employees, family, guests or invitees.

10.3 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 the Declaration, as supplemented and amended from time to time.

10.4 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Building Lot and such portion or portions of the Common Area adjacent thereto, or as between adjacent Building Lots, due to the unwillful placement or settling or shifting of the Improvements including, without limitation, structures, walkways, bike paths, sidewalks and driveways constructed, reconstructed or altered thereon in accordance with the terms of this Declaration. Easements of encroachment shall be valid only so long as they exist, and the rights and obligations of Owners shall not be altered in any way because of encroachments, settling or shifting of the Improvements; provided, however, that in no event shall a valid easement for encroachment occur due to the willful act or acts of an Owner. In the event a structure on any Building Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Building Lot agree that minor encroachments within and over adjoining Building Lots that existed prior to the encroachment may be reconstructed pursuant to the easement granted by this paragraph.

10.5 Easements of Access. Grantor expressly reserves for the benefit of all the Property reciprocal easements of access, ingress and egress for all Owners to and from their respective Building Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Building Lots and Common Areas resulting from the normal use of adjoining Building Lots or Common Areas, and for necessary maintenance and repair of any Improvement including, without limitation, fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping. Such easements may be used by Grantor, and by all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Building Lot or Common Area.

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

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

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

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

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

10.8 Driveway Easements. Whenever a driveway is installed within the Property which in whole or in part lies upon a Building Lot owned by an Owner other than the Owner of the Building Lot served, or installed to serve more than one Building Lot, the Owner of each Building Lot served or to be served by such driveway shall be entitled to full use and enjoyment of such other Building Lot as required to service such Owner's Building Lot or to repair, replace or maintain such driveway. Currently the highway district requires shared driveways for access on certain lots on the Property which access directly on to Florida Avenue.

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

10.10 Grantor's Rights Incident to Construction. Grantor, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Common Area and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property owned by Grantor; provided, however, that no such rights shall be exercised by Grantor in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access to an Owner's Building Lot by that Owner or such Owner's family, tenants, employees, guests, or invitees.

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

10.12 Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

10.13 Maintenance Easement. An easement is hereby reserved to Grantor, and granted to the Association, and any member of the Board or manager, if any, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Building Lots a right to make such use of the Building-Lots-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 Building Lot for the purpose of performing maintenance to the landscaping or the exterior of Improvements to such Building Lot as required by the

## ARTICLE XI: DAMAGE OR DESTRUCTION

11.1 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 the Common Area upon damage or destruction as provided in this Article or a complete or partial taking as provided in the next Article below. Acceptance' by any grantee of a deed or other instrument of conveyance from Grantor or 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.

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

11.3 Repair and Reconstruction. As soon as practical after obtaining estimates, 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 repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during any period of insurance adjustments and repair and reconstruction.

11.4 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 cost of such repair and reconstruction, the Association may assess and collect in advance from all Owners a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further assessments may be made in like manner if the amounts collected prove insufficient to complete such repair and reconstruction.

11.5 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 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 the Owners in proportion to the contributions each Owner made as a Special Assessment to the Association under this Article or, if no Special Assessments were made, then in equal shares per Building Lot, first to the mortgagees of a first mortgage and then to the Owners, as their interests appear.

11.6 Decision Not to Rebuild. If Owners representing at least sixty seven percent (67%) of the total allocated votes in the Association agree in writing not to repair and 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 the Common Area by the Association in a neat and attractive condition, and any remaining insurance proceeds shall be distributed in equal shares per Owner.

## ARTICLE XII: CONDEMNATION

12.1 Rights of Owners. Whenever all or any part of the Common Area shall be taken or conveyed in lieu of and under threat of condemnation by the Board acting as attorney-in-fact for all owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice 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.

12.2 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 follows: If the taking involves a portion of the Common Area on which Improvements have been constructed, then, unless within sixty (60) days after such taking Grantor, if still applicable, and Owners representing at least sixty seven percent (67%) of the Class A Members shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining land included in the Common Area to the extent lands are 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 Article immediately above 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 the 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 Owner.

## ARTICLE XIII: UTILITY SYSTEMS

13.1 Domestic Water System. Each Lot owner shall utilize the Association domestic potable water system or the municipal potable water system for the City of Caldwell following annexation of the Property or applicable portion thereof. Connection to and utilization of this water system shall be in accordance with this Declaration and according to County, State, or Federal or any other Agency requirements. This water shall not be used outside of ½ acre lawn area per lot.

13.2 Irrigation System. Each lot will use the Association Pressurized Irrigation system, which shall be monitored, regulated and owned by the Homeowner's Association, or the City of Caldwell's pressurized irrigation system following annexation of the Property or applicable portion thereof. The Homeowner's Association may contract with an outside entity to oversee, maintain and regulate the system.

Until it is dedicated to the City of Caldwell, the Pressurized Irrigation System shall be owned, operated, repaired, maintained and replaced by the Association, as Maintenance Property up to the stub located on each Lot. The costs incurred for installing, operating, maintaining, repairing or replacing any components located within a Lot and beyond the stub shall be the responsibility of the Owner thereof.

Each Owner acknowledges that the Association or City of Caldwell, as applicable, may promulgate rules and regulations, including Pressurized Irrigation water use schedules or rotations, controlling the allocation, distribution and flow of water among the various Lots and each Owner hereby agrees to comply with such rules and regulations. Each Owner agrees to pay when due all Assessments levied by the Association for the operation, maintenance, insurance, repair and replacement of the Pressurized Irrigation System and delivery of irrigation water and any and all Assessments or related charges levied by the Association for the administration and enforcement of the rules, regulation and use schedules, whether or not such Owner actually used the water provided by the Pressurized Irrigation System. Each Owner acknowledges that he or she shall have no right, title, or interest in the water located within the Pressurized Irrigation System.

Owner acknowledges that the Grantor hereby reserves unto itself any and all Water Rights appurtenant to the Property and, accordingly, Owners have no right, title or interest in any of such water or Water Rights. The Grantor will convey the water rights to the Association.

13.3 Irrigation System. No cross-connection between any irrigation system and domestic water supply system may be made at any time.

13.4 Sewer System. No sewage disposal system is provided by Declarant. Each lot shall be served by an individual sewage disposal system to be designed, located and constructed at the Lot Owner's sole expense in accordance with the requirements, standards and recommendations of the Southwest District of Health Department. All bathroom, sink and toilet facilities shall be located inside the dwelling unit, or, if approved by the Architectural Control Committee and respective jurisdiction, within an accessory structure or outbuilding and shall be connected by underground pipe directly with the approval sewage disposal system. In no event shall any accessory building be utilized as a second residence whether temporary or permanent.

#### ARTICLE XIV: RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and the Association or the Architectural Control Committee relating to the interpretation, performance or nonperformance, violation, or enforcement of the Project Documents, such dispute or violation may be subject to a hearing and determination by the Board.

#### ARTICLE XV: MISCELLANEOUS

14.1 Term. The easements created hereunder shall be perpetual, subject only to extinguishment by the holders of such easements as provided by law. The covenants, conditions, restrictions, and equitable servitudes of this Declaration shall run until December 31, 2047, unless amended as herein provided. After December 31, 2047 such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, each, unless amended or extinguished by a written instrument executed by Members holding at least three-fourths (3/4) of the voting power of the Association and such written instrument is recorded with the Canyon County Recorder.

##### 14.2 Amendment

14.2.1 By Grantor. Except as provided in paragraph 14.3 below, until the recordation of the first deed to a Building Lot in the Property, the provisions of this Declaration may be amended, modified, clarified, supplemented, added to (collectively, "amendment") or terminated by Grantor by recordation of a written instrument setting forth such amendment or termination. Any amendment affecting only a particular Phase may be made by Grantor by an amendment to this Declaration at any time up to the recordation of the first deed to a Building Lot in such Phase.

14.2.2 By Owners. Except where a greater percentage is required by express provision in this Declaration, the provisions of this Declaration, other than this Article, any amendment 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 Owners representing more than seventy-five percent (75%) of the votes in the Association, and such amendment shall be effective upon its recordation with the Canyon County Recorder. Any amendment to this Article shall require the vote or written consent of Members holding eighty percent (80%) of the voting power of the Association.

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

14.3 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 or deed of trust upon a Building Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such first mortgage or deed of trust such Building Lot shall remain subject to this Declaration, as amended.

14.4 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by mail or as otherwise provided in the Bylaws. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after the same has been deposited in the United States mail, first class, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of provision of such notice, or to the residence of such person if no address has been given to the Association or to the address of such person as contained in the Canyon County tax assessor's rolls. Such address may be changed from time to time by notice in writing to the Association, as provided in this paragraph 14.4.

#### 14.5 Enforcement and Non-Waiver.

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

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

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

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

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

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

14.6.1 Restrictions Construed Together. All of the provisions hereof shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the

Property as set forth in the recitals of this Declaration.

14.6.2 Restrictions Severable. Notwithstanding the provisions of the foregoing paragraph 14.6.1, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

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

14.6.4 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.

14.7 Successors and Assigns. All references herein to Grantor, Owners, the Association or person shall be construed to include all successors, assigns, partners and authorized agents of such Grantor, Owners, Association or person.

14.8

14.9 Severability. If any one or more sections, subsections or sentences of this document are for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this document and the same shall remain in full force and effect.

14.10 Annexation by City of Caldwell. As the property is serviced by city water, the Declarant is required to enter into an agreement with the City of Caldwell for annexation of Property. Every Owner upon purchase of a Lot consents to annexation by the City of Caldwell. A copy of the annexation agreement with the City of Caldwell is attached hereto as Exhibit A.

IN WITNESS WHEREOF, the parties hereto have set our hands and seals this 14<sup>TH</sup> day of JANUARY, 2021.

Lone Star Land LLC., an Idaho Limited Liability Company

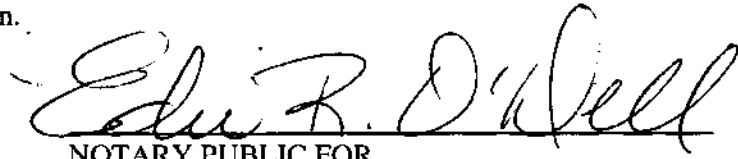
By: 

Manager/Member

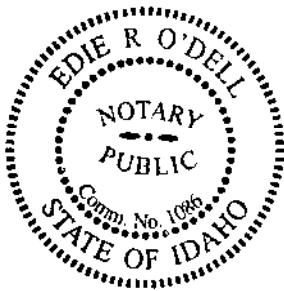
STATE OF IDAHO        )  
                                  ) ss.  
County of Canyon     )

On this 14<sup>th</sup> day of January, 2021, before me the undersigned personally appeared John Cotner to be member or manager of Lone Star Land, LLC the company that executed the instrument or the person who executed the instrument on behalf of said company and acknowledge to me that such company 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.



NOTARY PUBLIC FOR \_\_\_\_\_  
Residing at \_\_\_\_\_  
My Commission Expires



Residing in Nampa, Idaho  
My Commission Expires 4/17/2021



## Exhibit A

A parcel of land situated within the East half of the Southwest quarter and the West half of the Southeast quarter of Section 23, Township 3 North, Range 3 West, Boise Meridian, Canyon County, Idaho, being more particularly described as follows:

Beginning at the quarter corner common to said Sections 23 and 26, Township 3 North, Range 3 West, from which the section corner common to Sections 22, 23, 26 and 27, Township 3 North, Range 3 West bears South 88°54'15" West, 2647.24 feet; thence on the South boundary line of said Section 23  
South 88°54'15" West, 155.55 feet; thence leaving said South boundary line  
North 01°05'45" West, 79.01 feet; thence  
North 44°27'08" East, 116.59 feet; thence  
North 11°06'47" East, 53.86 feet; thence  
North 00°00'00" East, 33.81 feet; thence 103.95 feet along the arc of curve to the right having a radius of 575.00 feet, a central angle of 10°21'29" and a long chord which bears North 05°10'45" East, 103.81 feet; thence  
North 10°24'51" East, 358.64 feet; thence  
North 22°00'55" East, 72.50 feet; thence  
North 10°21'29" East, 148.55 feet; thence  
North 86°30'06" West, 262.89 feet; thence  
North 00°00'00" East, 185.79 feet; thence  
North 18°51'56" West, 216.96 feet; thence  
North 00°00'00" East, 703.98 feet; thence  
North 10°17'11" East, 56.00 feet; thence  
North 00°00'00" East, 230.56 feet to the South boundary line of the North half of the North half of the Northeast quarter of the Southwest quarter of said Section 23; thence  
North 88°55'35" East, 259.85 feet to the Southeast corner of the North half of the North half of the Northeast quarter of the Southwest quarter of said Section 23; thence on the East boundary of the Northeast quarter of the Southwest quarter of said Section 23  
North 00°00'30" East, 33.43 feet to the centerline of Deer Flat Caldwell Canal; thence on said centerline the following seven (7) courses and distance:

South 32°24'01" East, 88.18 feet; thence 86.14 feet along the arc of a curve to the right having a radius of 787.00 feet, a central angle of 06°16'17" and a long chord which bears South 29°15'53" East, 86.10 feet; thence  
South 26°07'44" East, 171.99 feet; thence  
South 27°41'52" East, 228.98 feet; thence 184.72 feet along the arc of a non-tangent curve to the right having a radius of 587.00 feet, a central angle of 18°01'50" and a long chord which bears South 17°54'47" East, 183.96 feet; thence  
South 08°53'52" East, 297.23 feet; thence  
South 04°40'25" East, 43.99 feet to the North boundary line of the Southwest quarter of the Southeast quarter of said Section 23; thence on said North boundary line  
North 88°54'40" East, 41.08 feet; thence leaving said North boundary line  
South 04°40'25" East, 28.54 feet; thence 114.20 feet along the arc of a curve to the left having a radius of 296.00 feet, a central angle of 22°06'22" and a long chord which bears South 15°43'36" East, 113.50 feet; thence  
South 26°46'47" East, 176.50 feet; thence  
South 27°22'58" East, 307.82 feet; thence  
South 28°22'47" East, 193.31 feet; thence 270.79 feet along the arc of curve to the right having a radius of 646.66 feet, a central angle of 23°59'34" and a long chord which bears South 16°23'01" East, 268.82 feet; thence  
South 04°23'14" East, 247.72 feet; thence  
South 10°20'56" East, 72.82 feet to a point on the South boundary line of said Section 23; thence on said South boundary line  
South 88°53'59" West, 873.16 feet to the Real Point of Beginning.