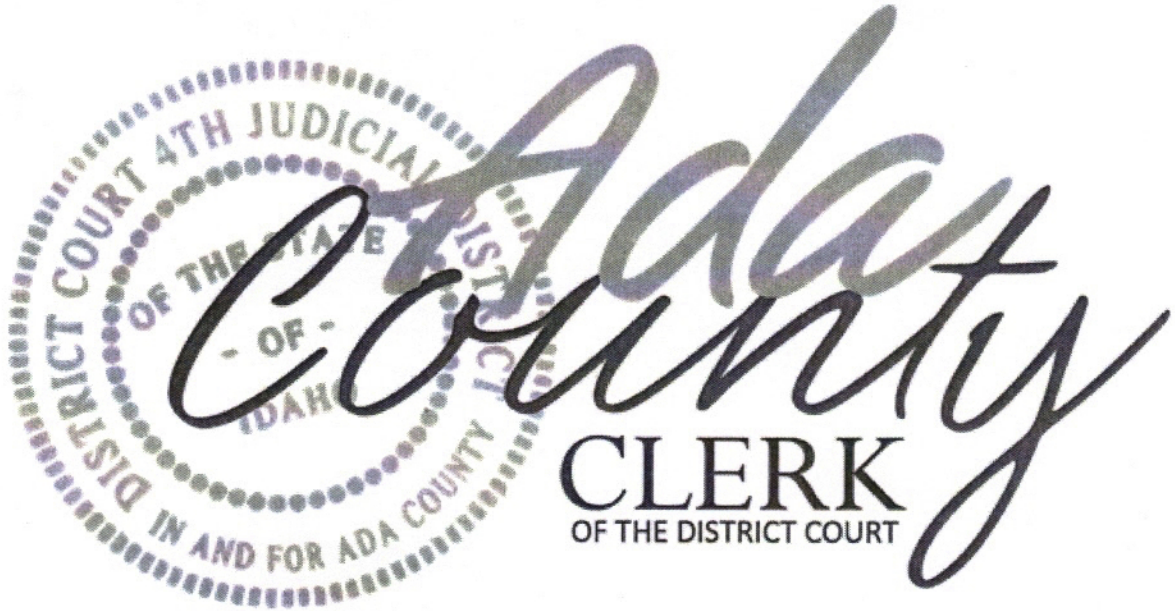




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THIRD REVISED and RESTATED  
DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
**LOCKEY SUBDIVISION CITY OF EAGLE, IDAHO**

THIS THIRD REVISED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made and executed effective as of April 19, 2023 by Somerset Farms, Inc., with a mailing address at P.O. Box 652, Eagle, ID 83616 ("Declarant") and supersedes and replaces the previously recorded Revised and Restated Declaration of Covenants, Conditions and Restrictions for Lockey Subdivision recorded on April 9, 2015 as Instrument No. 2015-028873, records of Ada County, Idaho and Restrictions for Lockey Subdivision recorded on December 3, 2014 as Instrument No. 2014-097738, records of Ada County, Idaho and the Declaration of Covenants, Conditions and Restrictions for Lockey Subdivision recorded on August 29, 2014 as Instrument No. 2014-070552, records of Ada County, Idaho.

**RECITALS:**

A. Declarant is the owner of the property located in the City of Eagle, Ada County, Idaho more particularly described as Lockey Subdivision according to the plat thereof recorded on August 29, 2014 in Book 107 of Plats at pages 14951 through 14956, records of Ada County, Idaho, as depicted in Exhibit A attached hereto and made a part hereof (the "Property"), except Lots 2 and 3, Block 2, and Lots 1, 3,14,15 and 28, Block 3, thereof.

B. Declarant intends to develop the Property as described in Section 2.2 of this Declaration (hereinafter called the "Project").

C. Declarant deems it desirable for the efficient preservation of the values and amenities of the Project to create a nonprofit corporation to which ownership of any common areas and amenities not owned and controlled by the individual Lot Owners shall be conveyed and to which shall be assigned and delegated the powers of enforcing the covenants, conditions and restrictions contained in this Declaration and of assessing and collecting the assessments and charges herein provided and to otherwise perform the responsibilities and duties of the HOA as defined herein.

NOW THEREFORE, Declarant hereby declares that the Property is held and shall be held, conveyed, sold, hypothecated, encumbered, leased, used, occupied and improved subject to the following limitations, restrictions, covenants, conditions and easements, all of which are declared to be for the furtherance of the plan of development of the Project and for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Property and the Project. The limitations, restrictions, covenants, conditions and easements set forth herein shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property, or any part thereof, and shall inure to the benefit of each such party and their successors and assigns and shall be binding on and inure to the benefit of the Declarant and its successors and assigns.

**I. DEFINITIONS**

1.1. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the following meanings when used in this Declaration:

"Association" or "HOA" shall mean the Somerset Farms Homeowners Association, a nonprofit corporation formed or to be formed under the laws of the State of Idaho to have the responsibility and to fulfill the purposes set out in this Declaration, its successors and assigns;

"Architectural Committee" shall mean the committee that may be created pursuant to Article X of this Declaration, or the Board to the extent that it functions as the Architectural Committee as provided in said Article X;

"Articles" shall mean the Articles of Incorporation of the Association filed or to be filed in the Idaho Division of Corporations and Uniform Commercial Code, as such Articles may be amended from time to time.

"Board" shall mean and refer to the Board of Directors of the Association as duly elected in accordance with the Articles and Bylaws.

"Bylaws" shall mean the Bylaws of the Association as such Bylaws may be amended from time to time.

"Common Area" shall mean the property (including improvements thereon) shown on the subdivision plat for the Project as Common Area, which property, if any, shall be owned by the Association for the common use and benefit of the Members, and all other property owned by the Association for the common use and benefit of the Members.

"Declarant" shall mean Somerset Farms, Inc. and/or any of its successors or assigns which may acquire ownership of the Project or any part thereof and where Somerset Farms, Inc.'s rights as Declarant hereunder are assigned or otherwise pass by operation of law;

"Declaration" shall mean this instrument as it may be amended from time to time as herein provided.

"Improvement(s)" 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 Properties, including but not limited to residences, buildings, fences, streets, drives, driveways, sidewalks, bicycle paths, curbs, landscaping, signs, lights, mail boxes, electrical lines, pipes, pumps, ditches, waterways, recreational facilities, and fixtures of any kind whatsoever.

"LOT" shall mean any residential lot or parcel of land as shown on the recorded subdivision plat for the Project.

"Member" shall mean and refer to every person or entity holding a membership in the Association as provided herein.

"Mortgage" shall mean any deed of trust, mortgage or other security instrument by which a Lot or any part thereof is encumbered.

"Mortgagee" shall mean any beneficiary, holder or mortgagee under a Mortgage or any successor in interest of such beneficiary, holder or mortgagee.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, including Declarant, of a fee simple record title to any Lot, including contract sellers but excluding those having such interest merely as security for the performance of an obligation and shall not include any Mortgagee unless and until such party has acquired title pursuant to foreclosure or any arrangement of proceeding in lieu thereof.

"Participating Builder" or "Participating Developer" shall mean a Person, other than Declarant or its successors, who purchases Lots from Declarant for the purpose of building residences on the Lots for sale to the general public.

"Pressurized Irrigation System" shall mean the system of pipes, pumps, head-gates, reservoirs and other facilities owned by the Association and used for the delivery of irrigation water to each Lot and Common Area within the Project. The Pressurized Irrigation System expressly does not include a Lot's tap into a PI System trunk line nor any part of the Lot's sprinkler system downstream of such tap.

"Project" shall mean the development of the Property as a residential subdivision development as described in Section 2.2 of this Declaration.

"Property" shall mean the real property described in Exhibit A to this Declaration and such additions thereto as hereafter may be made subject to this Declaration as provided herein.

"Subdivision Plat" shall mean the subdivision plat covering the Property described in Exhibit A to this Declaration unless and until additional property is annexed to the Project, in which event. Subdivision Plat shall mean the subdivision plat for the Exhibit A property and the subdivision plat or plats for the annexed property. Subdivision Plat shall not mean any plat, whether or not approved by the City, that includes additional phases or property that have not been annexed as herein provided.

## **II. DESCRIPTION OF PROPERTY AND PROJECT**

2.1. Description of Property. The property covered by this Declaration is the property located in the City of Eagle, Ada County, Idaho more particularly described in Exhibit "A" to this Declaration.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through and under the above-described property and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or any assignee of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (I) to construct a residence on each and every Lot; and (ii) to improve the Common Area with such facilities, including, but not limited to recreational facilities, parking areas, walkways and various landscaped areas designed for the use and enjoyment of all the Members as Declarant may

reasonably determine to be appropriate. If, pursuant to the foregoing reservation, the above-described property or any Improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist.

ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, assessments and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservations and exclusions; all mineral reservations and exclusions; all mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described tract or any portion thereof, including without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; and all easements and rights of way of record.

2.2. Description of Project. Declarant will develop the Property as a residential subdivision to be known as Somerset Farms (Lockey Subdivision on the Ada County records) with individually owned Lots and with a single residence located on each Lot. The Project will have permanent open spaces and other common areas and facilities for the benefit of all Owners of the individual Lots and/or for the benefit of all Members of the HOA as designated in the Subdivision Plat.

2.3. Declarant's Obligation. Declarant hereby covenants in favor of each Owner that all Improvements erected by it and all improvements of the Common Areas accomplished by it on the Project shall be architecturally compatible with respect to one another, and that on or before three years from the date on which this Declaration is filed for record in the office of the County Recorder of Ada County, Idaho, there shall be substantially completed and usable all of the Common Area, and all amenities and improvements thereon, all approximately at the locations shown on the Subdivision Plat. All Common Area and all amenities and improvements thereon shown on the Subdivision Plat for subsequent phases on additional property annexed to the Project shall be substantially completed and usable within three years from the date the amended Declaration annexing the additional property is filed of record in the office of the County Recorder of Ada County, Idaho.

### III. PROPERTY RIGHTS IN THE COMMON AREA

3.1. Members' Easements of Enjoyment of Common Area. Every Member shall have a right and easement of enjoyment in and to the Common Area as a Member of the Association as provided herein. Such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area including the recreational facilities and other facilities and improvements located thereon.
- (b) The right of the Association, in accordance with the Articles and Bylaws, to borrow money for the purpose of improving the Common Area and the facilities and improvements located thereon and to aid thereof, to mortgage said property, provided that the rights of any Mortgagee shall be subordinate to the rights of the Members.
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless approved by a written instrument approving such dedication or transfer signed by two thirds of all Class A Members or by the vote of two-thirds of the voting power of the Association voted at a meeting of the Association called for such purpose. However, the Declarant reserves the right to grant easements over any part of the Common Area or any other designated utility easement areas for utility purposes, and the Association, acting through its board of directors, shall have the power and authority to grant easements (temporary and/or permanent), upon and across Lot 5, Block 1, Lot 10, Block 3, and Lot 27, Block 3 for ingress and egress to the Lots immediately adjacent thereto together with the right to construct driveways therein for such purposes.

- (d) The right of Declarant (and its sales agents and representatives) to the nonexclusive use of the Common Area and the facilities thereof, for display and exhibit purposes in connection with the sale of any real property, which right Declarant hereby reserves. No such use by Declarant or its sales agents or representatives shall otherwise restrict the Members in their use and enjoyment of the Common Area or facilities thereof.

3.2. Delegation of Use. Any Member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and Common Area, if any, and facilities to the members of his family, his tenants or contract purchasers who reside at the Project.

3.3. Waiver of Use. No Member may exempt himself from personal liability for assessments duly levied by the Association, nor release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area and the facilities thereon or by abandonment of his Lot other than by sale thereof.

#### **IV. MEMBERSHIP**

4.1. Membership in Association. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to the Declaration, excluding Common Area Lots, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities holding an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership.

4.2. Delegation of Membership. A Member who has sold his Lot to a contract purchaser under an agreement to purchase shall be entitled to delegate to such contract purchaser his membership rights in the Association. Such delegation shall be in writing and shall be delivered to the Board before such contract purchaser may vote. However, the Contract seller shall remain liable for all charges and assessments attributable to his Lot until fee title to the Lot sold is transferred.

4.3. Transfer. The membership held by any Owner of a Lot shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Lot, and then only to the purchaser or Mortgagee of such Lot. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the purchaser of such Lot, the Association shall have the right to transfer the membership upon the books of the Association.

4.4. Voting Rights in Association. The Association shall have two classes of voting membership:

- (a) Class A. Class A Members shall be all Owners with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot owned.

- (b) Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to five votes for each Lot owned. The class B Membership shall cease and be converted to Class A Membership on the first to occur of the following events:

- (i) When the total number of votes held by Class A Members becomes equal to the total number of votes held by the Class B Member; or

- (ii) The expiration of seven years from the date on which this Declaration is filed for record in the office of the County Recorder of Ada County, Idaho. All voting rights shall be subject to the restrictions and limitations provided herein and in the Articles and Bylaws.

4.5. Multiple Ownership of Lots. When more than one person holds fee interest in any Lot, all such persons shall be Members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. A vote cast at any Association meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event an objections is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

## V. Reserved

## VI. DUTIES AND POWERS OF THE ASSOCIATION

6.1. Generally. The Association shall have the powers and duties enumerated in the Articles, the Bylaws, this Article VI and elsewhere in this Declaration. In addition, the Association shall have the powers and rights of a nonprofit corporation under the laws of the State of Idaho.

6.2. Common Area. The Association shall own, and/or maintain and otherwise manage all of the Common Area, if any, and all facilities, improvements and landscaping thereon, and all other property acquired by the Association. The Association shall accept title to all Common Area conveyed to it by Declarant. As owner of the Common Area the Association shall:

- (a) Pay any real and personal property taxes and other charges assessed against the Common Area.
- (b) Have the authority to obtain, for the benefit of the Common Area, all water, gas and electric services and refuse collection.
- (c) Grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Common Area and the Lots.
- (d) Have the power and authority to grant easements (temporary and/or permanent), upon and across Lot 5, Block 1, Lot 10, Block 3, and Lot 27, Block 3 for ingress and egress to the Lots immediately adjacent thereto together with the right to construct driveways therein for such purposes.

6.3. Insurance. The Association shall maintain such policy or policies of insurance provided for in the Declaration, the Articles and the Bylaws and such other insurance as the Board deems necessary or desirable in furthering the purpose of and protecting the interests of the Association and its Members. Premiums for all insurance carried by the Association are common expenses of the and shall be included in the regular assessments made by the Association.

6.4. Manager - Contractors. The Association shall have the authority to employ a manager or other persons and to contract with the Association, independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same at the first annual meeting of the Members of the Association.

6.5. Contingency Fund. The Association shall have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board.

6.6. Rules and Regulations. The Association may adopt reasonable rules not inconsistent with this Declaration, the Articles or the Bylaws relating to irrigation, drainage, the use of any Lot, Common Area and all facilities thereon and the conduct of Owners and their contract purchasers, lessees, tenants and guests with respect to the Project and other Owners. Pursuant to those Rules and Regulations, the Association shall have the right to limit the number of guests of an Owner utilizing any Common Area and the right to charge reasonable admission and other fees or the use of any Common Area.

The Association may modify the Rules and Regulations from time to time. The Rules and Regulations shall be effective upon 1) approval by the Board and 2) posting on the Association's official electronic bulletin board, posting in a conspicuous place within the Project or hard copy delivery to each Owner's address on file.<sup>1</sup>

6.7. Supplemental Design Guidelines. The Association may adopt Supplemental Design Guidelines not inconsistent with this Declaration, the Articles or the Bylaws relating to improvements made on or to Common Areas and Lots within the Project. The Supplemental Design Guidelines may be modified from time to time by the Board, which modifications shall be effective upon 1) approval of the Board and 2) posting on the Association's official electronic bulletin board, posting in a conspicuous place within the Project or hard copy delivery to each Owner's address on file.

6.8. Record of Ownership. The Association shall maintain a roster of Members from the evidence of change of ownership furnished to the Association, which roster shall include the mailing addresses of the Owners. If the Association has been given notice of the necessary information, the Association shall indicate on the roster the name and address of each Mortgagee of a unit. Each notice shall consist of a certified copy of the recorded instrument evidencing the title of the Mortgagee. The Mortgagee shall be stricken from the roster upon receipt by the association of a request from the Mortgagee or of a certified copy of a recorded release or satisfaction of the Mortgage. Notice of such removal shall be given to the Mortgagee unless the removal is requested by the Mortgagee.

6.9. Enforcement. The Association shall have the power and authority at any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter upon any Lot for the purpose of maintaining and repairing such Lot or any improvement thereon if for any reason the Owner fails to maintain and repair such Lot or improvement, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Lot in violation of Article X of this Declaration. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and on behalf of any Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration, the Articles, the Bylaws or any rules and regulations promulgated by the Board, or to enforce by mandatory injunction or otherwise all of the provisions of this Declaration, the Articles, the Bylaws and such rules and regulations.

## VII. RESERVED

## VIII. ASSESSMENTS

8.1. Covenant to Pay Assessments. Each Owner of a Lot, except the Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association all assessments provided for and assessed pursuant to this Article VIII as provided in this Declaration, the Articles and Bylaws.

8.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the members of the Association and, in particular, for the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area.

8.3. Regular Assessments. The amount and time of payment of regular assessments shall be determined by the Board pursuant to the Articles and Bylaws after giving due consideration to the current maintenance costs and future needs of the Association; provided that regular assessments shall be payable monthly with an option to pay it in advance annually. Written notice of the amount of an assessment, regular or special, shall be sent to every Owner, and the due date for the payment of same shall be set forth in said notice.

8.4. Maximum Regular Assessment. Until the Board determines otherwise, there will be no Regular Assessment for the Association. Except for the initial Regular Assessment (if and when the Board assesses it) the maximum Regular Assessment may not be increased each year by not more than 15 percent above the maximum assessment for the previous year without

the affirmative vote of a majority of the Class A members who are voting in person or by proxy at a meeting duly called for that purpose; and, so long as there is a Class B Membership, the consent of the Declarant. The Board may fix the annual assessments at an amount not in excess of the maximum.

8.5. Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements on any Common Area, the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by the Board it shall become a Special Assessment. The Board may, in its discretion, provide for the payment in installments of such Special Assessment over the remaining months of the fiscal year or levy the Assessment immediately against each Lot. Special Assessments shall be due on the first day of the month following notice of their levy. Any Special Assessment which singly or in the aggregate with previous Special Assessments for the fiscal year would amount to more than 15 percent of the budgeted gross expenses of the Association for the fiscal year, shall require approval of a majority of Class A members who are voting in person or by, at a meeting duly called for that purpose; and, so long as there is a Class B Membership, the consent of the Declarant.

8.6. Association Assessments. Each Owner of a Lot, except Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association all Regular Assessments, Special Assessments and Default Assessments, if applicable, as provided herein and in the Association Documents. Such Assessments will be determined and assessed by the Association and shall be paid directly to the Association.

8.7. Uniform Rate of Assessment. Both Regular and Special Assessments shall be fixed at a uniform rate for all Lots not included in exempt property. The Declarant and Participating Developer shall not be required to pay any assessment for any Lot in which the Declarant retains ownership provided that no portion of such Lot has been used or occupied for residential purposes.

8.8. Date of Commencement of Regular Assessments. The Regular Assessments provided for herein shall commence as to all Lots on the first day of the month following the date the first sale of a Lot to an Owner other than Declarant is closed and recorded.

8.9. Default Assessments. Default Assessments may be levied against an Owner (i) as a monetary penalty imposed by the Association as a disciplinary measure for the failure of the Owner to comply with rules and regulations adopted by the Association, the Bylaws or this Declaration, (ii) as a means of reimbursing the Association for costs incurred by the Association for repair of damage to any Common Areas and facilities for which the Owner was responsible, or (iii) as a means of reimbursing the Association for costs incurred by the Association for maintenance or repair work on the Lot of the Owner pursuant to Section 6.9 hereof. Default Assessments imposed against a Lot and its Owner shall be fully enforceable through the lien provisions of this Declaration.

8.10. Reserved

8.11. Effect of Non-payment of Assessments: Remedies of Association. Any Assessment installment, whether of a Regular, Special, or Default Assessment, which is not paid within 30 days of its due date shall be delinquent. In the event that any Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

8.11.1. Assess a late charge of not less than \$25 per delinquency.

8.11.2. Assess an interest charge from the date of delinquency at the rate of 1½ percent per month on the unpaid balance.



- 8.11.3. Suspend the Owner's easement and right to use any of the Common Area, if any, during any period of delinquency.
- 8.11.4. Accelerate all remaining Assessment installments for the year in question so that unpaid Assessments for the remainder of the year shall be due and payable at once.
- 8.11.5. Bring an action at law against any Owner personally obligated to pay the delinquent installments.
- 8.11.6. File a Statement of Lien with respect to the Lot, and foreclose on the Lot as set forth in more detail below.

The Association may file a Statement of Lien by recording with the Recorder of Ada County, Idaho, a written statement with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Association, and the amount of delinquent Assessments then owing, which Statement shall be duly signed, acknowledged and verified by the oath of the president, a vice president or the manager of the Association having knowledge of the facts, and which shall, within five (5) business days after recording thereof, be served upon the Owner of the Lot by personal delivery or by certified mail to the last known address of the Owner of the Lot Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Idaho. Such lien shall be in favor of the Association and shall be for the benefit of all other Owners. In either a personal or foreclosure action, the Association shall be entitled to recover as part of the action, the interest, costs, and reasonable attorneys' fees with respect to the action. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or the Owner's Lot. The remedies herein provided shall not be exclusive and the Association may enforce any other remedies to collect delinquent Assessments as may be provided by law.

8.12. Assignment of Rents. If an Owner shall, at any time, lease or sublease its Lot and shall default for a period of one month in the payment of Assessments, the Association may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner the rent due or becoming due and the payment of such rent to the Association shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid. Each Owner shall be deemed to have assigned to the Association any such rent in the event of a default by Owner in paying its Assessments.

8.13. Subordination of the Lien. The lien of the Assessments provided for herein shall be subordinate to the lien of any first Mortgage. No sale or transfer shall relieve a Lot from liability for any Assessments or from the lien thereof. However, a sale or transfer of any Lot pursuant to a decree of foreclosure or by a trustee's foreclosure, or any other proceeding or deed in lieu of foreclosure, for the purpose of enforcing a first Mortgage, shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer; provided that no such sale or transfer shall relieve the purchaser or transferee of a Lot from liability for, nor relieve the Lot from the lien of, any Assessments which shall come due thereafter.

8.14. Notice of Action. Any first Mortgagee who makes a prior written request to the Association in regards to a Lot in which it has an interest as provided in Section 12.4 hereof shall be entitled to timely written notice of any delinquency in payment of Regular, Special, Limited Use, or Default Assessments owed by the Owner of the Lot encumbered by its first Mortgage or of any other default by the Owner under this Declaration or the Articles or Bylaws, which has continued for a period of 60 days or more. In addition, any such first Mortgagee shall be entitled to cure such delinquency and obtain the release of the Lot encumbered by its First Mortgage from any lien imposed or perfected by reason of such delinquency.

8.15. Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment Notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Regular Assessments on the same basis as for the last year for which such an Assessment was made until a new Assessment is made at which time any shortfalls in collections may be assessed retroactively by the Association.

8.16. Certificate of Payment. The Association shall, upon demand, furnish to any Owner liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether the Regular and Special Assessments on a specified Lot have been paid, the amount of the delinquency, if any, and whether there are any Default Assessments and the amount thereof. A reasonable charge may be made by the Board for the issuance of such certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

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

8.17.1 All properties dedicated to and accepted by a local public authority.

8.17.2. The Common Area.

8.17.3. All Lots owned by Declarant provided that no portion of such Lot has been used or occupied for residential or other purposes.

## IX. USE RESTRICTIONS

9.1. Residential Uses. Each Lot shall be occupied as a permanent single-family residence and shall be restricted to such use. No Lot shall be used for any business, industrial, or commercial purpose; provided, however, that (i) Declarant or its successors or assigns, may use any Lot or building thereon for sales models, sales offices, or property management offices as provided in Section 13.7, (ii) Owners may rent or lease their Lots in accordance with the provisions of this Declaration, and (iii) an Owner may operate a business from his home so long as such business complies with City ordinances and Association rules and regulations which may be established from time to time.

9.2. Restriction on Leasing. No Owner shall lease or rent any Lot with a residence thereon for transient or hotel purposes, nor shall any Owner lease less than the entire residence. If an Owner leases such Owner's residence, then the lease shall include or be deemed to include a covenant on the part of the tenant substantially as follows: "Tenant agrees with the landlord and with and for the benefit of Declarant hereunder and all Owners that during the term of this lease, tenant and tenant's family and guests from time to time will use and occupy the premises and all parts of the Project in strict compliance with this Declaration, and all rules and regulations from time to time adopted by the Board as fully as if tenant were an Owner." The lease shall also provide that any failure by the lessee to comply with such terms shall constitute a default under the lease. As used in this section, the term lease shall include a lease, rental arrangement, license, or other arrangement for third-party use of a Lot and residence.

9.3. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to any Owner within Project or to Declarant.

9.4. Parking. No vehicles of any kind including, without limitation, automobiles, trucks, buses, tractors, trailers, camping vehicles, boats, boat trailers, snowmobiles, mobile homes, two, three or four wheeled motor vehicles, or other wheeled vehicles shall be parked or stored on Commons area at any time except temporarily for the purpose of maintaining the Common Area.

9.5. Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats and other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purposes. Pigs and chickens are not considered household pets for the purposes of these CCRs and shall not be permitted. No dog, cat or other household pet shall be allowed to travel within the Project except when accompanied by an Owner and on leash or other appropriate restraint. No more than four (4) household pets shall be allowed unless otherwise approved by the Board. Any household pet which shall become annoying or offensive to residents nearby shall be removed upon order of Declarant or the Board.

9.6. Signs. No sign of any kind shall be displayed to the public view on any Lot except one temporary sign of not more than five square feet advertising the Lot or home for sale, a political issue or candidate, an Association announcement or signs used by Declarant to advertise the Lot or Lots during any construction and sales period unless otherwise approved by the Board. All signs shall comply with applicable City of Eagle ordinances.

9.7. Garbage and Refuse Disposal. No trash, rubbish, garbage or other waste shall be kept except in sanitary containers and shall be kept out of sight of neighboring Owners. Trash shall be removed on a regular basis. No rubbish, trash, papers, junk or debris shall be burned upon any Lot except that trash may be burned inside residences that are properly equipped with inside incinerator units.

9.8. Maintenance and Repair. All Lots and all Improvements on any Lot shall be kept and maintained by the Owner thereof in a clean, safe, attractive and sightly condition. No Improvement (including interiors thereof), or landscaping upon any Lot shall be permitted to fall into disrepair and, subject to the requirements herein as to approval by the Architectural Control Committee, each such Improvement and all landscaping at all times shall be kept in good condition and as appropriate, adequately painted or otherwise finished by its Owner. Such obligation shall extend, but shall not be limited to, the painting, repair, replacement and care of roofs, gutters, downspouts, and exterior building surfaces. All landscaping, grass, trees and shrubs shall be maintained in a clean, safe, attractive and groomed condition.

9.9. No Hazardous Activities. No activities shall be conducted on any Lot and no improvements shall be constructed on any Lot which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot, and no open fires shall be lighted or permitted on any Lot except in a contained barbecue unit which is attended and in use for cooking purposes. Nothing shall be done or kept on a Lot that would result in an increase in the cost of insurance on the Project, or that would result in the cancellation of insurance on the property, or that would result in the cancellation of insurance with respect to all or any part of the Project, or that would be in violation of any governmental law, ordinance, or regulation.

9.10. Fence Restrictions. All fences must comply with applicable ordinances of the City of Eagle and must be approved by the Architectural Committee prior to construction. Unless the Architectural Committee establish rules to the contrary, the following rules shall govern fences within the Project. The community perimeter fence required by the City of Eagle shall remain in place and be maintained by the Member on whose Lot the fence is located unless otherwise directed by the AC. No other fencing is required in the community, but other fencing is allowed subject to AC approval, these CCRs, the Supplemental Design Guidelines and the Rules and Regulations. Fences may be constructed or placed in back and side yards provided that all fences shall meet the requirements herein provided. No fence shall exceed six feet in height Front yard fences are generally not allowed except with the approval of the Architectural Committee. Fences must be constructed of material approved by the Architectural Committee. The Architectural Committee may refuse to approve any fence, especially including those to be placed on comer Lots that the Architectural Committee believes will be detrimental to the aesthetics of the Project or will be detrimental to the residents of the Project.

9.11. Pressurized Irrigation. Developer has provided a private irrigation system for the Project that shall be owned, operated and maintained by the Association ("PI System"). The PI System shall be operated and maintained according to the Operation and Maintenance Manual provided by the Project Engineers and equipment providers. The Association shall be responsible for the use of the PI System in all Common Areas except as otherwise agreed between the Association and specific Lot Owners in writing. Each Lot Owner, on a pro-rata basis, is entitled to the use of the PI System for the irrigation of his/her Lot. Use of the PI System, including without limitation the timing, duration, frequency and volume of such use shall be controlled by the Rules and Regulations established and modified from time to time by the Board. Owners shall be responsible for the maintenance of their Lot's connection to the PI System and for any damage their activities cause to the PI System trunk line or other components. The Association's cost of owning, operating and maintaining the PI System shall be borne by the Lot Owners' and shall be a component of the Assessments as set forth in Section VIII above.

9.12. Lot Grading and Storm Drainage. The Master Grading Plan for the Project is attached hereto and incorporated herewith by this reference as Attachment A. This plan shall guide all Project grading. Each Lot Owner shall ensure that his/her Lot grading complies with this Master Grading Plan, including, without limitation, the General Grading Notes and the typical Lot grading plans included therein.

## X. ARCHITECTURAL CONTROL

10.1. Architectural Committee. The Board may appoint a three-member Architectural Committee, the function of which shall be to insure that all improvements and landscaping within the property harmonize with existing surroundings and structures. The Committee need not be composed of Owners. If such a Committee is not appointed, the Board itself shall perform the duties required of the Architectural Committee.

10.2. Submission to Architectural Committee. No permanent or temporary Improvement or additions or modifications thereto and no landscape additions and changes shall be constructed or maintained, and no alteration, repainting, or refurbishing of the exterior of any Improvement, nor of any court enclosure, except as herein otherwise mentioned, shall be performed, unless complete plans and specifications therefor have first been submitted to and approved by the Architectural Committee. All such plans and specifications shall be consistent with any Supplemental Design Guidelines which may be from time to time adopted by the Board. The Board may also adopt a schedule of fees to be paid with the submittal of plans and specifications. Plans and specifications for the construction and installation of any and all improvements within the Project shall be submitted and approved by the Architectural Committee prior to submittal to any required governmental agency.

10.3. Standard. In deciding whether to approve or disapprove plans and specifications submitted to it, the Architectural Committee shall use its best judgment to insure that all improvements, construction, landscaping and alterations on Lots within the Property conform to and harmonize with existing surroundings and structures and that such proposed improvements enhance the value and aesthetics of the Project and comply with the Supplemental Design Guidelines as they may be modified from time to time.

10.4. Approval Procedure. Any plans and specifications submitted to the Architectural Committee shall be submitted in the form provided by the Committee and in triplicate. The architectural review fee set by the Board shall accompany the submittal of plans and specifications. Upon completion of each review, one set of plans will be retained by the Association, one set will be retained by the reviewing architect (if any) and the remaining set of plans will be returned to the Owner. All plans and specifications shall be approved or disapproved by it in writing within 30 days after submission. In the event the Architectural Committee fails to take any action within such period it shall be deemed to have approved the material submitted.

10.5. Bond/Security Deposit. The Architectural Committee may require that an Owner post a bond, cash security or deposit or other security in a form satisfactory to the Architectural Committee, in an amount or value of not to exceed \$1,000.00, in favor of the Association, as a condition to approving any proposed work or improvement. No person shall commence any work or improvement until any such deposits have been properly posted with the Architectural Committee. The deposit may be used to assure the proper cleanup of dirt and debris and the repair of any damage to the landscaping, streets or other property within the Project caused by Owner or his agents in the construction of improvements.

10.6. Construction. All construction of approved Improvements shall be subject to the following requirements:

10.6.1. Once begun, any improvements, construction, landscaping, or alterations approved by the Architectural Committee shall be diligently prosecuted to completion.

10.6.2. Owners and builders shall clean up all trash and debris on the construction site and all trash and debris shall be removed from each construction site at least once a week to a dumping location offsite of the development. Lightweight material, packaging and other items shall be covered or weighted down to

prevent wind from blowing such materials off the construction site. Owners and builders are prohibited from dumping, burying or burning trash anywhere on the lot. During the construction period, each construction site shall be kept neat and all materials shall be promptly removed from public or private roads, open spaces and driveways.

10.6.3. Construction crews shall not park on, or otherwise use, other lots or any open space or Common Area. All construction vehicles and machinery shall be parked only in areas designated by the Architectural Committee.

10.7. Liability for Damages. The Architectural Committee shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to any request made pursuant to this Article X.

10.8. Exception for Declarant. The foregoing provisions of this Article X shall not apply to any construction of Improvements or landscaping, or the alteration thereof, which is carried out by Declarant on any Lot or on any part of the Common Areas, if any, and which occurs while Declarant is a Class B Member of the Association.

## XI. INSURANCE

11.1. Requirements for Association Insurance. The Association shall obtain and maintain at all times insurance of the type and kind provided herein and insurance for such other risks, of a similar or dissimilar nature, covering the Common Area, if any, and the facilities and improvements on the Common Area as are or shall hereafter customarily be covered with respect to other properties similar to the Project in construction, design and use. The Association shall obtain insurance with the following provisions or endorsements, if reasonably available to the Association:

- 11.1.1. Exclusive authority to adjust losses shall be vested in the Association and/or the Board as insurance trustee or any successor trustee as designate by the Association;
- 11.1.2. The insurance coverage shall not be brought into contribution with insurance purchased by the individual Owners or their respective Mortgagees;
- 11.1.3. The insurer waives its right of subrogation as to any and all claims against the Association, each Owner, and/or their respective agents, employees or tenants, and of all defenses based upon co-insurance or upon invalidity arising from the acts of the insured;
- 11.1.4. The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any one or more individual Owners or their respective lessees, employees, agents, contractors, and guests;
- 11.1.5. The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any officer or employee of the Association or their employees, agents, or contractors, without prior demand in writing that the Association cure the defect;
- 11.1.6. Such policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of the individual Owners or their respective lessees, employees, agents, contractors or guests; or (ii) by failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control; and
- 11.1.7. The insurance coverage shall provide that coverage may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten days prior written notice to any and all insureds named thereon, including all Mortgagees of the residence.

11.2. Casualty Insurance. The Association shall obtain and maintain fire and casualty insurance with extended coverage, without deduction for depreciation, in an amount as near as possible to the full replacement value of the improvements and facilities located on the Common Area, if any, and other insurable property and improvements owned by the Association. Such insurance shall be maintained for the benefit of the Association, the Owners, and the Mortgagees, as their interests may appear as named insureds. The casualty insurance carried by the Association shall be reviewed by the Board at least annually to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property that may be damaged or destroyed.

11.3. Liability Insurance. The Association shall obtain a policy or policies of insurance insuring the Association, the Owners and their respective lessees, servants, agents or guests against any liability to the public or to the Owners, members of the households of Unit Owners and their respective invitees or tenants, incident to the ownership and/or use of the Property, and including the personal liability exposure to the Owners, incident to the ownership and/or use of the Property, including but not limited to the operation and use of the Common Area, if any, public ways and any other area under the supervision of the Association. Limits of liability under such insurance shall not be less than One Million Dollars for any one person injured in any one occurrence, and shall not be less than One Million Dollars for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Board and increased at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and, if possible, shall provide cross-liability endorsements for possible claims of any one or more or group if insured, without prejudice to the right of a named insured under the policies to maintain the action against another named insured.

11.4. Fidelity Bond. There may be obtained a blanket fidelity bond for anyone who handles or is responsible for funds held or administered by the Association. The amount of the bond shall not be less than the greater of (i) the sum of three months assessments on all units plus the associations reserve funds; (ii) the maximum funds that will be in the Association's hands; or (iii) 150 percent of the estimated annual operating expense of the Association, including reserves. The bond must state that at least ten days written notice will be given to the Association or its insurance trustee to each Mortgagee and Mortgage servicer prior to the cancellation or substantial modification for any reason.

11.5. Officer and Director Insurance. The Association may purchase and maintain insurance on behalf of any member of the Board of Directors, Officer, or member of a committee of the Association (collectively the "Agents") against any liability asserted against or incurred by the Agent in such capacity or arising out of the Agent's status as such, whether or not the Association would have the power to indemnify the Agent against such liability under applicable law.

11.6. Owner's Fire and Extended Coverage Insurance. Each Owner shall obtain and maintain fire, casualty and extended coverage insurance for the full replacement value of its residence and all other Improvements on its Lot. An Owner may insure its personal property.

## **XII. MORTGAGE PROTECTION**

12.1. Purpose. Notwithstanding any and all provisions of this Declaration to the contrary, to induce the Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA"), the Federal Housing Administration ("FHA") and the Veterans Administration ("VA") to participate in the financing of the purchase of Lots within the Project, the provisions of this Article are added thereto. To the extent the following Sections of this Article conflict with any other provisions of this Declaration or the provisions of any Supplemental Declaration, this Article shall control.

12.2. Restrictions on Amendments. No amendment of this Declaration shall operate to defeat or render invalid the rights of a Mortgagee or beneficiary under any first Mortgage upon a Lot made in good faith and for value and recorded prior to the recordation of such amendment, provided that after foreclosure of any such Mortgage, such Lot shall remain subject to this Declaration, as amended.

12.3. Mortgagee Defined. For the purposes of this Article only, a "Mortgagee" shall refer only to FHLMC, GNMA, FNMA, FHA and VA, as described in Section 11.01, above.

12.4. Right to Notice. Each first Mortgagee, upon filing a written request for notification with the Board in accordance with this Section 11.4, shall be given written notice by the Association of any default by the Owner of the Lot encumbered by the Mortgage held by said Mortgagee in the performance of such Owner's obligations under this Declaration and under any Supplemental Declaration applicable to the Lot, the Articles or the ByLaws of the Association (hereafter collectively referred to as "Project Documents"), which default is not cured within thirty (30) days after the Association has notice of such default. The duty to give such Notice shall arise only after said Mortgagee furnishes to the Association written notice of a Mortgage (or Deed of Trust) which shall contain the following:

12.4.1. The name and address of said Mortgagee.

12.4.2. A legal description of the Lot subject to the lien of the Mortgage by Lot, Block and Subdivision.

12.4.3. The name and address of the Owner,

12.4.4. The date the lien of the Mortgage was filed of record in Ada County, Idaho, and the instrument number thereof;

12.4.5. The maturity date of the obligation secured by said Mortgage lien.

12.4.6. A copy of a title insurance report evidencing that the Mortgagee is the holder of a first Mortgage or the beneficiary of a first Deed of Trust.

12.4.7. The signature of the Mortgagee or authorized agent.

12.5. Exemption From Prior Assessments. Each first Mortgagee which comes into ownership of a Lot by virtue of foreclosure or otherwise shall take title to such Lot free from any claims for unpaid Assessments and charges against the Lot which accrue prior to the time such First Mortgagee comes into ownership, except for claims for a share of such assessments or charges resulting from a reallocation thereof to all Lots, including the mortgaged Lot.

12.6. Changes Requiring Unanimous Approval. Without the prior unanimous approval of all first Mortgagees of Lots within the Subdivision, neither the Association nor the Owners shall:

12.6.1. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area which is owned, directly or indirectly, by the Association, provided, however, that the granting of easements pursuant to Section 3.2(c), above, or for other public purposes consistent with the intended use of the Common Area by the Association shall not be deemed a transfer within the meaning of this Section.

12.6.2. Change the ratio of Assessments or method of determining the obligations. Assessments, dues or other charges which may be levied against any Owner or the method of allocating distributions of hazard insurance proceeds or condemnation awards.

12.7. Restrictions on Other Changes. Without the prior written approval of at least seventy-five percent of the Mortgagees holding first Mortgages on Lots within the Project, neither the Association nor the Owners shall:

12.7.1. By act or omission change, waive or abandon any scheme of regulations or enforcement thereof, pertaining to the architectural design of the exterior appearance of Improvements on Lots within the Project, the exterior maintenance of said Improvements or the maintenance and upkeep of landscaping within the Project.

- 12.7.2. Fail to maintain fire and extended coverage insurance on insurable Improvements within the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);
- 12.7.3. Use hazard insurance proceeds for losses occurring within the Common Area for any purpose other than the repair, replacement or reconstruction thereof.
- 12.7.4. Abandon or terminate the covenants, conditions, restrictions and easements of this Declaration or any Supplemental Declaration.
- 12.7.5. Make any material amendment to this Declaration or any Supplemental Declaration or to the Articles or ByLaws of the Association.

12.8. Right to Inspect Books. Etc. First Mortgagees, upon written request, shall have the right to (i) examine the books and records of the Association during normal business hours; (ii) require from the Association the submission of audited annual financing reports and other financial data; (iii) receive written notice of all meetings of Owners; and (iv) designate in writing a representative to attend all such meetings.

12.9. Notification of Damage. Upon the Board receiving notice of any damage to the Common Area or any Lot wherein the cost of repair, replacement or reconstruction exceeds Ten Thousand Dollars (\$10,000.00) or notice of any condemnation or eminent domain proceedings or other similar involuntary acquisition of any portion of the Project, the Board shall give to each first Mortgagee which has filed with the Board a written request for notice as provided in Section 11.4, prompt written notice of said damage or condemnation.

12.10. Right to Pay Charges. Mortgagees may pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay any overdue premiums on hazard insurance policies covering said Common Area and said Mortgagees making such payments shall be entitled to immediate reimbursement therefor from the Association.

12.11. Fidelity Bond Required. The Board shall secure and caused to be maintained in force at all times a fidelity bond for any person or entity handling funds of the Association.

12.12. Lessee's Obligations. Any agreement for the leasing or rental of a Lot, including a month-to-month rental agreement, shall provide that the terms of such agreement shall be subject to the provisions of the Project Documents. All such agreements shall be in writing and shall provide that any failure by the lessee to comply with the terms of the Project Documents shall be a default under the leasing or rental agreement.

12.13. Liability for Taxes. All taxes levied and assessed on the Common Area must be assessable against those Common Area only and the Association shall be solely responsible for the payment thereof.

12.14. Waiver of Liability and Subrogation. Any provision in this Declaration which requires Owners to indemnify the Association, the Board or other Owners against acts of the indemnitor is subject to the exception that if the liability, damage or injury is covered by any type of insurance and proceeds are actually paid to the insured by reason thereof, the indemnitor is relieved of liability to the extent of insurance proceeds so paid.

12.15. FNMA and GNMA Insurance Requirements. Notwithstanding any other provisions contained in this Declaration, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by FNMA and GNMA, so long as either is a Mortgagee or Owner of a Lot within the Subdivision, except to the extent such coverage is not available or has been waived in writing by FNMA or GNMA.



12.16. Additional Contracts. In addition to the foregoing provisions of this Article, the Board may enter into such contracts and agreements on behalf of the Association as are required in order to satisfy the guidelines of FHLMC, FNMA, GNMA, FHA, VA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entity of mortgages encumbering Lots within Improvements thereon. Each Owner hereby agrees that it will benefit the Association and each Owner, as a class of potential mortgage borrowers and potential sellers of their Lots if such agencies approve the Subdivision as a qualifying subdivision under applicable policies, rules and regulations as adopted from time-to-time.

12.17. Consent to Release of Information by Mortgagee. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Lot and each Owner of a Lot encumbered by such a Mortgage hereby consent thereto.

12.18. Restricted Application. It is expressly provided that the terms, conditions and provisions of this Article shall not be operative or in force and effect unless and until FHLMC, FNMA, GNMA, FHA or VA purchases, grantees or insures a Mortgage on a Lot within the Project and then only to the extent the same are required by said purchaser, guarantor or insurer. In the event the standards and guidelines of FHLMC, FNMA, GNMA, FHA or VA do not require, as a condition of approval of the Project as a qualifying subdivision, the inclusion of one or more of the provisions of this Article, said non-required provisions shall be of no further force or effect.

### XIII. MISCELLANEOUS

13.1. Registration of Mailing Address. Each Owner shall register his mailing address with the Association. Any first Mortgagee desiring notices provided in Article 12 shall register with the Association as provided in Section 12.4.

13.2. Notice. All notices or requests required hereunder shall be in writing. Notice to any Owner shall be considered delivered and effective upon personal delivery, or three days after posting, when sent by certified mail, return receipt requested, to the address of such Owner on file in the records of the Association at the time of such mailing. Notice to the Board, the Association or to the Architectural Committee shall be considered delivered and effective upon personal delivery, or three days after posting, when sent by certified mail, return receipt requested, to the Association, the Board or the Architectural Committee, at such address as shall be established by the Association from time to time by notice to the Owners. General notices to all Owners or any classification thereof need not be certified, but may be sent regular first class mail.

13.3. No Waiver. The failure of the Declarant, the Association, the Board or any of their contractors to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration or the Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Association or its contractor of the payment of any assessment from an Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Association or the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Association.

13.4. Amendment. Subject to the provisions of Section 12.7 of this Declaration any amendment hereto shall require the affirmative vote of two-thirds of the voting power of the Association residing in Members voted at a meeting of the Members called for that purpose. Any amendment authorized pursuant to this Section shall be accomplished through the recordation of an instrument executed by the President or Vice President of the Association, and by the Declarant if the Class B Membership then exists. In such instrument the President or Vice President of the Association shall certify that the vote required by this Section for amendment has occurred. Notwithstanding any requirement in this Section 13.4, Declarant reserves the right to amend the Declaration within twelve months from recording the same in the records of the Ada County Recorder's Office, if required by statute, the Federal National Mortgage Association, Federal Housing Authority or Veterans Administration or other governmental agency or lending institution or to correct a technical error, provided that such amendment does not materially affect the rights of Owners.

13.5. Annexation of Additional Land. The Declarant expressly reserves the option unto itself, and its successors or assigns, until the date seven years from the recordation of the original Declaration, to expand the Project through the annexation of contiguous additional land into the Project. Within the time period provided, the Declarant may annex the additional land without the consent of the Association or any individual Owners or other limitation. The Declarant shall have the right and shall be required to amend this Declaration to appropriately reflect all relevant information, as required by law or otherwise, in conjunction with annexation of additional land within the Project. The amendment of this Declaration shall: (i) be duly executed and acknowledged by the Declarant and by all other Owners and lessees of the Additional Land to be annexed to the Project; and (ii) contain a metes and bounds description of the Additional Land to be annexed. The Declarant is under no obligation, if it proceeds to develop the adjacent real property, to annex the developed property into the Project.

13.6. Consent in Lieu of Voting. In any case in which this Declaration requires for authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Members entitled to cast at least the stated percentage of all membership votes outstanding in connection with the Class of membership considered. The following additional provisions shall govern any application of this Section 13.6:

13.6.1. All necessary consents must be obtained prior to the expiration of 90 days after the first consent is given by any Member.

13.6.2. The total number of votes required for authorization or approval under this Section 13.6 shall be determined as of the date on which the last consent is signed.

13.6.3. Except as provided in the following sentence, any change in ownership of a Lot which occurs after consent has been obtained from the Owner thereof shall not be considered or taken into account for any purpose. A change in ownership which would otherwise result in an increase in the total number of Class A votes outstanding shall, however, be effective in that regard and shall entitle the new Owner to give or withhold his consent.

13.6.4. Unless the consent of all Members whose memberships are appurtenant to the same Lot are secured, the consent of none of such Members shall be effective.

13.7. Declarant's Sales Program. Notwithstanding any other provisions of this Declaration, so long as Declarant owns a Lot, Declarant, its successors or assigns shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all residences owned by Declarant:

13.7.1. To maintain a sales office and/or model homes. Such offices may be located in residences (at any location) owned by Declarant.

13.7.2. To maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Project, or upon real property directly adjacent to the Project owned by the Declarant, but any such device shall be of a size and in a location as is reasonable and customary.

13.7.3. To use the Common Area and facilities of the Project to entertain prospective purchasers or to otherwise facilitate home sales, provided said use is reasonable as to both time and manner.

13.7.4. To locate or relocate from time to time its sales office, model homes and/or signs, banners or similar devices. Declarant shall have the right to remove from the Project any signs, banners or similar devices within a reasonable time after the sale of the last Lot owned by Declarant.

13.8. Declarant's Rights Assignable. All or any portion of the rights of Declarant under this Declaration or in any way relating to the Property may be assigned.

13.9. Dissolution. Subject to the restrictions set forth in Article XII of this Declaration pertaining to mortgagee protection, the Association may be dissolved by the affirmative assent in writing of two-thirds of the Members of each class membership. Upon dissolution of the Association all of its assets (including the Common Area) may be dedicated or transferred to an appropriate public agency or authority to be used for purposes similar to those provided for in the Bylaws, the Articles or this Declaration. In the event such dedication or transfer is not made or is not accepted, the Association's assets shall be transferred to a nonprofit corporation, trust, or other entity to be used for such similar purposes, and each Owner shall continue to be obligated to make assessment payments for the maintenance and upkeep of the Common Areas and amenities on a pro rata basis which conforms substantially with the assessment procedure, terms and conditions set forth in Article VII of this Declaration.

13.10. Interpretation. The captions and headings for the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provisions hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any party thereof, and any gender shall include the other gender. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

13.11. Covenants to Run With Land. This Declaration and all provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Declarant, and all parties who hereafter acquire any interest in a Lot or in the Common Area shall be subject to the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, and determination contemplated by this Declaration; and failure to comply with any of the foregoing shall be grounds for an action by the Association or an aggrieved Owner for the recovery of damages, or for injunctive relief, or both. By acquiring any interest in a Lot or in the Common Area, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

13.12. Effective Date. This Declaration and any amendment hereof shall take effect upon its being filed for record in the office of the County Recorder of Ada County, Idaho.

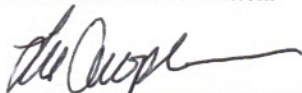
SOMERSET FARMS HOA

BY:   
ERNEST C. SATTERTHWAIT HOA BOARD MEMBER

STATE OF IDAHO )  
 )  
 :ss  
 County of Ada )

On this 19<sup>th</sup> day of April, 2023, before me, a notary public, personally appeared Ernest C. Satterthwait who, being by me first duly sworn, acknowledged and declared that he is a Member of the Board of Somerset Farms HOA, that he signed the foregoing document as Board Member of the said corporation, that such corporation executed the same.

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

  
\_\_\_\_\_  
Notary Public for Idaho  
Residing at Eagle, ID  
My Commission Expires 8-6-2025



Pursuant to the provisions of Section 13.4 and 13.6 of the Declaration, that as a Member or the Board of the Association does hereby certify that the foregoing Third Revised and Restated Declaration has been approved by the written consent of Members representing at least two-thirds (2/3) of the total voting power in the Association.

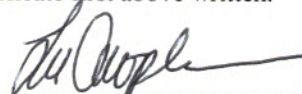
SOMERSET FARMS HOMEOWNERS  
ASSOCIATION, INC.

BY:   
ERNEST C. SATTERTHWAIT HOA BOARD MEMBER

STATE OF IDAHO )  
 )  
 :ss  
 County of Ada )

On this 19<sup>th</sup> day of April, 2023, before me, a notary public, personally appeared Ernest C. Satterthwait who, being by me first duly sworn, acknowledged and declared that he is a Board Member of Somerset Farms Homeowners Association, Inc., that he signed the foregoing document as Member of the Board of the said corporation, that such corporation executed the same, and that the statements therein contained are true.

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 Idaho  
Residing at Eagle, ID  
My Commission Expires 8-6-2025

