

CCR's Draft for Mountain Meadows Ranch

Craig Groves [REDACTED]

Fri 2/2/2024 9:11 AM

To: Cynda Herrick <cherrick@co.valley.id.us>; Lori Hunter <lhunter@co.valley.id.us>

Cc: Gregg Tankersley [REDACTED]; Bonnie Layton
[REDACTED]

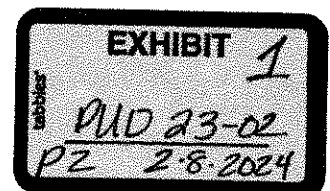
3 attachments (537 KB)

[v1] Master Articles [MacGregor] 2.1.24.pdf; [v1] Master Declaration - [MacGregor
Townsite] 2.1.2024.pdf; [v1] Master Bylaws [MacGregor] 2.1.24.pdf;

Cynda and Lori,

Here are the draft Governing Documents for MacGregor Townsite. I have not reviewed these in detail so please understand this is a DRAFT.

Craig



**ARTICLES OF INCORPORATION OF
MACGREGOR TOWNSITE MASTER ASSOCIATION, INC.**

The undersigned person, acting as incorporator of a non-profit corporation pursuant to the Idaho Code § 30-30-201, hereby adopts the following Articles of Incorporation (“Master Articles”) of MacGregor Townsite Master Association, Inc. (“Master Association”).

ARTICLE I – NAME, PRINCIPAL ADDRESS & DURATION

- 1.1 The name of the nonprofit corporation is MacGregor Townsite Master Association, Inc.
- 1.2 The Master Association’s principal address shall be: 1500 W Bannock St., Boise, Idaho 83702.
- 1.3 Such principal address may be modified at any time with the Idaho Secretary of State by the Incorporator or Board of Directors without amendment to these Master Articles.
- 1.4 The duration of the Master Association shall be perpetual unless earlier dissolved pursuant to law.

ARTICLE II - DEFINITIONS

- 2.1 Definitions. All terms used but not defined herein shall have the meanings given them under that certain Master Declaration of Covenants, Conditions & Restrictions for MacGregor Townsite, a Master Planned, Mixed-Use Community, recorded in the Official Records of the Valley County Recorder’s Office, as amended (“Master Declaration”). The term “Member” shall mean and refer to those persons entitled to membership in the Master Association, as provided in the Master Declaration and these Master Articles.

ARTICLE III –REGISTERED AGENT & OFFICE

- 3.1 The address of the initial registered agent of the Master Association is:

Groves Family, LLC
1500 W Bannock St., Boise, Idaho 83702

Such agent and office may be modified at any time with the Idaho Secretary of State by the Incorporator or Board of Directors without amendment to these Master Articles.

ARTICLE IV – INCORPORATOR

- 4.1 Pursuant to Idaho Code § Idaho Code § 30-30-201, the name and address of the incorporator of the Master Association is as follows:
Groves Family, LLC
1500 W Bannock St., Boise, Idaho 83702

ARTICLE V – BOARD OF DIRECTORS & AUTHORIZED PERSONS

- 5.1 Declarant shall appoint three natural persons to serve as the initial Board of Directors. Until period of Declarant control ceases and is automatically converted to a Class A pursuant to the terms of the Master Declaration, Declarant, its successors and assigns, shall have the right to appoint, remove and replace all the members of the Board at any time in its sole discretion. The initial appointed Board of Directors are as follows:

_____	1500 W Bannock St., Boise, Idaho 83702
_____	1500 W Bannock St., Boise, Idaho 83702
_____	1500 W Bannock St., Boise, Idaho 83702

- 5.2 Pursuant to Idaho Code § 30-30-601(3), these Master Articles hereby authorize Declarant Groves Family, LLC to exercise all powers and authority of the Board of Directors during the period of Declarant control. Declarant, in its sole discretion, may act for and on behalf of the Board and Master Association. Accordingly, during the period of Declarant control, the directors are relieved from such authority and duty.

ARTICLE VI – MEMBERSHIP SHARES AND VOTING RIGHTS

- 6.1 Membership/Shares. Every Owner shall be a Member of the Master Association. Declarant shall be deemed a Member of the Master Association, as set forth in the Master Declaration. Membership in the Master Association shall be mandatory, shall be appurtenant to the Lot in which the Owner has the necessary interest, and shall not be separated from the Lot to which it appertains. The Master Association shall not issue shares of stock. Neither the issuance nor the holding of shares of stock shall be necessary to evidence membership in the Master Association.
- 6.2 Voting Rights. The Members of the Master Association shall have voting rights, as set forth in the Master Bylaws and/or Master Declaration.
- 6.3 Membership List. The Master Association may for all purposes act and rely on the information concerning Members and Lot ownership that is obtained from the office of the County Recorder. The address of a Member shall be deemed to be the address of the residence situated on such Member's Lot unless the Master Association is otherwise advised in writing.

ARTICLE VII - POWERS AND PURPOSES

- 7.1 Purpose. The Master Association is organized and shall be operated as a nonprofit corporation for the purpose of enforcing the terms and conditions of Governing Documents and otherwise administering any Common Areas, Limited Common Areas (if any responsibility is assigned to the Master Association) or facilities for the benefit of Members.
- 7.2 Powers. The Master Association shall have all of the powers conferred upon it by the Governing Documents, as amended, including all powers conferred by the Idaho Nonprofit Corporation, Homeowner's Association Acts, and as otherwise allowed by law.
- 7.3 Non-Profit. The Master Association is not organized for pecuniary profit. No dividend shall be paid to any of its Members, Directors, Officers, or any other person.

ARTICLE VIII – MISCELLANEOUS

- 8.1 Amendment. Following the period of Declarant control, any amendment to these Master Articles shall require the consent of at least sixty-seven percent (67%) of all eligible votes. During the period of Declarant control, the Declarant may amend these Master Articles in Declarant's sole discretion.
- 8.2 Dissolution. Dissolution may occur consistent with the Master Declaration and the Idaho Nonprofit Corporation Act, which dissolution proposal must be approved by Members holding not less than sixty-seven percent (67%) of the voting interest of the Master Association. During the period of Declarant control, dissolution shall also require the written consent of Declarant. Upon dissolution, the assets of the Master Association shall transfer or be divided among Members, as required by law.
- 8.3 Manager. Declarant (and the Board following the period of Declarant control) may utilize the assistance of professional community management to carry out duties and functions authorized by these Articles.
- 8.4 Rules, Policies & Resolutions. The Master Association may adopt, amend, and repeal rules, policies and resolutions for the regulation and management of the affairs of the Master Association consistent with the Governing Documents and the Act.
- 8.5 Interpretation. The captions that precede the various portions of these Master Articles are for convenience only and shall in no way affect the manner in which any provision 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 part thereof, and any gender shall include all genders. The invalidity or unenforceability of any provision contained in these Master Articles shall not affect the validity or enforceability of the remainder hereof. These Master Articles have been prepared in conjunction with the Master Bylaws and Master Declaration and should be read and construed in light of that fact and liberally so as to affect all the purposes of these instruments.

- 8.6 Indemnification. No director, officer, managing agent, committee member, or authorized person acting on behalf of the Master Association shall be personally liable for any obligations of the Master Association or for any duties or obligations arising out of any acts or conduct of said person. The Master Association shall and does hereby indemnify and hold harmless each person who shall serve in such capacity, as well as such person's heirs and administrators, from and against any and all claims, judgments, and liabilities to which such persons shall become subject, by reason of that person having heretofore or hereafter been a director, officer, managing agent, committee member or authorized person by reason of any action alleged to have been taken or omitted to have been taken by them in such capacity, and the Master Association shall advance and reimburse any such person for all legal and other expenses reasonably incurred in connection with any such claim or liability. The right of any person to be indemnified shall be subject always to the right of the Master Association, in lieu of such indemnity, to settle any such claim, action, suit, or proceeding at the expense of the Master Association by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

ACKNOWLEDGMENT

In witness hereof and under penalty of perjury, I hereby acknowledge that I am authorized by the Incorporator to execute these Master Articles, which I have read and know the contents thereof, and the same are true to the best of my knowledge and belief.

DATED this _____ day of _____, 2024.

Groves Family, LLC, INCORPORATOR

By (printed): _____
Its: _____

BYLAWS OF MACGREGOR TOWNSITE MASTER ASSOCIATION, INC.

The following are the Bylaws of MacGregor Townsite Master Association, Inc. (“Master Bylaws”), an Idaho nonprofit corporation (“Master Association”). Upon recordation of these Master Bylaws, they are binding upon the Master Association and all present and future Owners and/or occupants.

ARTICLE I - DEFINITIONS

Section 1.1 Definitions. All terms used but not defined herein shall have the meanings given them under that certain Master Declaration of Covenants, Conditions & Restrictions for MacGregor Townsite, a Master Planned, Mixed-Use Community, recorded in the Official Records of the Valley County Recorder’s Office, as amended (“Master Declaration”).

ARTICLE II MEETINGS OF MEMBERS

Section 2.1 Annual Meetings. An annual meeting of the Owners shall be held no less than once each calendar year at a location and time designated by the Board of Directors (“Board”). The Board may set the date, time, and location of the annual meeting in accordance with Section 2.3 below, which locations may include virtual or electronically held meetings through available technology.

- (a) Declarant, compromising more than a majority of Owners, approves meeting held through available technology.

Section 2.2 Special Meetings. Special meetings of the Owners may be called at the request of the Board, or upon written request of the Owners holding at least fifty-one percent (51%) of all eligible votes. Notwithstanding, the Board remains the only authorized body to act for and on behalf of the Master Association. During the Class B Control Period, only the Declarant may call Special Meetings.

Section 2.3 Notice of Meetings. Unless otherwise required by law, all notices shall be given via electronic communication, which may include but is not limited to: email, text, voicemail, or posted on the community website (if applicable). Notice shall be provided at least ten (10) days before a meeting, but no more than ninety (90) days, to each Owner at the email or electronic address provided by the Owner. Said notice is effective upon sending the email or electronic communication. Any notices provided by U.S. mail shall be sent via U.S. First Class Mail and effective upon deposit in the mail. Such notice shall specify the location, day, and time of the meeting, and, in the case of a special meeting, the purpose of the meeting.

- (a) Upon becoming an Owner of the Master Association, or upon the written request by the Master Association, Owners shall provide a valid email address or other requested electronic information for purpose of notification related to

the Master Association unless the Owner has opted out by providing a written request for notice by U.S. Mail. If no address is registered with the Master Association, an Owner's Lot address shall be deemed to be their registered address for purposes of notice.

- (b) The location of meetings may also occur virtually, telephonically, or through other available technology, which is hereby approved of by a majority of Owners in the Project.

Section 2.4 Quorum. Unless otherwise specifically set forth in the Master Declaration, at any meeting of Owners, a quorum shall be established by those Owners present, in person or by proxy, at a properly noticed meeting. Notwithstanding, the Board remains the only authorized body to act for and on behalf of the Master Association. Further, a majority of those Owners present in person or proxy at such meeting may vote to reschedule the meeting based upon low attendance. Otherwise, the meeting shall proceed as scheduled.

Section 2.5 Proxies. At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing, signed by the Owner, and filed with the Board at or before said meeting. Notwithstanding, any proxy delivered to the Board at the meeting must be provided no later than any point in the meeting announced as the final time to deliver proxies. The proxy form provided with any notice of meeting may also provide an additional requirement and a deadline to return proxies. Every proxy shall be revocable and shall automatically terminate upon conveyance by the Owner of the Lot. If conflicting proxy votes for an Owner or Lot exist, said proxy votes will not be counted.

Section 2.6 Conduct of Meetings. The Board, or its authorized representatives, shall preside over all meetings. The Secretary or other authorized person shall keep and maintain minutes of all meetings. The Board may adopt further policies and procedures with regard to conduct at a Master Association meeting.

- (a) **Recording.** No person, whether an Owner, occupant, owner representative, or other third party is permitted to record (whether audio, video, transcription or combination) any Master Association meeting, work session or similar event regardless of the location without the written consent of the Master Association.

Section 2.7 Action Taken Without a Meeting. Under the direction of the Board, any action that may be taken at any annual or special meeting of Owners may be taken without a meeting and without prior notice, if one or more consents in writing, setting forth the action taken, are signed by the Owners having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all Owners eligible to vote on the action were present and voted, unless a different approval percentage for the action is specifically set forth in the Master Declaration. The Board may obtain such approvals and conduct business through mail or email/electronic ballots.

Ballots shall set forth each proposed action and provide the option of voting for or against each proposed action. The ballot must specify the period of time, up to 120 days, during which the Master Association shall accept written ballots. Following this period, the Master Association shall provide notice if such action was approved.

Section 2.8 Voting. Only an Owner that is current on all assessments and charges due and owing at least thirty (30) days prior a duly noticed meeting shall be deemed in good standing and eligible vote. The Master Association shall have two (2) classes of voting membership, Class "A" and Class "B," as set forth in the Master Declaration. The number of votes for each Lot/Acre shall be in accordance with the Master Declaration.

The votes appurtenant to any one Lot/Acre may not be divided and shall be voted in one block. If the vote of a majority of the Owners of a Lot/Acre cannot be determined, no vote shall be cast in relation to such Lot/Acre. The Master Association shall honor the vote of: a duly authorized trustee or successor trustee of a trust that is an Owner; the duly authorized representative of a legal entity that is an Owner; and shall honor the vote of an individual that is a holder of a limited or general durable power of Attorney with respect to an Owner as though such vote were the vote of the Owner.

ARTICLE III - BOARD, SELECTION AND TERM OF OFFICE

Section 3.1 Number & Tenure. Except for the Board members appointed by Declarant during the Class B Control Period, which may delegate duties as set forth in the Master Articles and these Master Bylaws, the affairs of the Master Association shall be managed by a Board of Directors composed of three (3) individuals. At the first meeting of the Owners at which the election of Directors will take place following the Class B Control Period, the candidate who receives the most votes shall serve as a Director for three (3) years. The candidate that receives the second highest number of votes shall serve as a Director for two (2) years, and the third candidate who receives the third highest number of votes shall serve as Director for one (1) year. At each annual election, the successor to the Director whose term shall expire in that year shall be elected to hold office for the term of (3) years. Any change in the number of Directors may be made only by amendment of these Master Bylaws. The members of the Board of Directors shall serve until their respective successors are elected, or until their death, resignation or removal.

Section 3.2 Advisory Board Member. During the Class B Control Period and prior to turnover of the Master Association to Owner control, the Declarant and/or Board may identify an owner(s) to be an advisory member of the Board and participate in Board meetings and activities. This advisory member(s) shall not vote.

Section 3.3 Eligibility. Following the Class B Control Period, all members of the Board shall be Owners or an Owners' spouse or legal partner that resides with Owner in the Lot. Notwithstanding, only one member of a single household can be a member of the Board at any one time. During the Class B Control Period, eligibility requirements shall not apply.

Section 3.4 Resignation & Removal. A Director may resign at any time by delivering a written resignation to either the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director, except during Class B Control Period, may be removed from the Board with or without cause by a majority vote, a quorum being present, at a special meeting called for such purpose. In the event of death, resignation or removal of a Director, their successor shall be selected by the remaining Directors and shall serve for the unexpired term of their predecessor.

Section 3.5 Compensation. No Director shall receive compensation for any service he may render to the Master Association. However, any Director may be reimbursed for actual and approved expenses incurred in the performance of their duties.

Section 3.6 No Estoppel or Reliance. No one may rely upon any authorization (from the Board or otherwise) contrary to the terms and conditions of the Governing Documents regardless of circumstances. No claim of estoppel, waiver or similar equitable claims or defense may be raised by anyone related to any alleged reliance.

Section 3.7 Records Retention. The Board shall take appropriate action to develop, implement and update procedures for record retention. The Board should maintain documents in a manner to be easily accessible and copied. The Board may budget specifically for this expense and may seek the advice of consultants in developing retention procedures.

ARTICLE IV - NOMINATION AND ELECTION OF DIRECTORS

Section 4.1 Nomination. Following the Class B Control Period, Nomination for election to the Board may be made by the Board, Owners from the floor at the annual meeting, or pursuant to other written notice and procedures established by the Board

Section 4.2 Election. Following the Class B Control Period, the election of Directors may be by vote or written ballot, as determined at the discretion of the Board. The persons receiving the largest number of votes shall be elected. Cumulative voting is not authorized. The Master Association may utilize available technology for casting and counting votes.

ARTICLE V - MEETINGS OF THE BOARD

Section 5.1 Regular Meetings. Regular meetings of the Board shall be held at least annually, or more frequently as determined by the Board. All notices shall be provided by email or other electronic means. Directors are required to provide an email or electronic address for purposes of notice of Board meetings. Notice shall be provided at least five (5) days before a meeting, but no more than thirty (30) days. During the Class B Control Period, board meetings shall not be required but may be held at the sole discretion of Declarant.

- (a) Owners, and Owner representatives (if designated in writing in advance) may attend Board meetings and may be present for all discussions, deliberations, and decisions except when the Board is in executive session. Owners shall comply with all reasonable rules established by the presiding officer for their attendance. The Board may limit Owners' comments and/or questions to a specific period of time within the meeting. The Board shall provide email notice in accordance with the Act to Owners that have requested, in writing, to be notified of Board Meetings and have provided a valid email address.

Section 5.2 Special Meetings. When, in the discretion of the President or two members of the Board, circumstances require that a meeting be held sooner than the required five (5) day notice for a regular meeting, a special meeting may be called by the President or by any two (2) Directors, after not less than twenty-four (24) hours' notice to each Director. During the Class B Control Period, only the Declarant may call Special Meetings.

Section 5.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5.4 Conduct of Meetings. The Board, or its authorized representatives, shall preside over all meetings. The Secretary or other authorized person shall keep and maintain minutes of all meetings. The Board may adopt further policies and procedures with regard to conduct at a Board meeting.

- (a) **Recording.** No person, whether an Owner, occupant, owner representative, or other third party is permitted to record (whether audio, video, transcription or combination) any Board meeting, work session or similar event regardless of the location without the written consent of the Master Association.

Section 5.5 Action Taken Without a Meeting. The Directors may take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE VI - POWERS AND DUTIES OF THE BOARD

Section 6.1 Powers and Duties. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Master Association in accordance with the provisions of the Governing Documents and Idaho law. The Board may delegate its authority to manager(s), subject to any limitations or provisions contained in the Governing Documents.

ARTICLE VII - OFFICERS AND THEIR DUTIES

Section 7.1 Enumeration of Officers. The officers of this Master Association shall be a president, secretary, and treasurer, or as otherwise designated by the Board. Notwithstanding, during the Class B Control Period, Declarant may manage the Master Association as set forth in the Master Articles.

Section 7.2 Election of Officers. The election/appointment of officers shall take place at the first Board meeting following the annual meeting of the Owners. Officers shall serve in their office for a period of one (1) year. Notwithstanding, nothing in these Master Bylaws prevent an officer or directors from being re-elected to their respective positions.

Section 7.3 Special Appointments. The Board may elect such other officers as the affairs of the Master Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine. Appointed Officers may be removed by the Board with or without cause.

Section 7.4 Resignation and Removal. Any officer may resign at any time by delivering a written resignation to any Director or to any Manager. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed and replaced by a majority of the Board of Directors at any time, with or without cause. In the event of death, resignation or removal of an officer, their successor shall be selected by the Board and shall serve for the unexpired term of their predecessor.

Section 7.5 Duties. The Board may adopt policies and resolutions to define the respective duties of Directors and Officers.

Section 7.6 Committees. The Board may appoint such committees as deemed appropriate in carrying out its purposes. A committee shall not have any powers, duties, or responsibilities beyond those specifically assigned by the Board. The Board may terminate any committee at any time.

ARTICLE VIII - MISCELLANEOUS

Section 8.1 Waiver of Procedural Irregularities. All inaccuracies and irregularities in calls or notices of meetings, in the manner of voting, in the form of proxies, in the method of asserting persons present, in the method of making decisions, or in the method of accepting or counting votes shall be deemed waived under the following circumstances:

- (a) If the objecting person attended the meeting and no objection to the particular procedural issue was made at the meeting;
- (b) If the objecting person was not in attendance at the meeting but had proper notice of the meeting; or
- (c) 12 months following the meeting.

Section 8.2 Requirements for Objections. All objections except those made at a meeting shall be in writing. Whenever made, objections must specifically describe the circumstances giving rise to the objection and reference the specific provision of the Governing Documents or law that is alleged to have been violated, with a brief statement of the facts supporting the claimed violation.

Section 8.3 Irregularities that Cannot Be Waived. Any irregularity that is the result of fraud or that was done knowingly and intentionally in violation the Governing Documents or Idaho law.

Section 8.4 Fiscal Year. The fiscal year of the Master Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 8.5 Amendment. During the Class B Control Period, these Master Bylaws may be amended at any time by the Declarant. Following the Class B Control Period, these Master Bylaws may be amended by Owners holding at least sixty-seven percent (67%) of all eligible votes. An amendment to these Master Bylaws shall be effective immediately upon recordation in the Office of the Valley County Recorder, State of Idaho.

The foregoing Master Bylaws are adopted by the undersigned and made effective upon recordation in the Office of the Valley County Recorder, State of Idaho. Pursuant to Idaho Code § 30-30-601(3) and the Master Articles, the Declarant Groves Family, LLC is authorized to execute these Master Bylaws and may act for the Board during the Class B Control Period.

ACKNOWLEDGMENT

In witness hereof and under penalty of perjury, I hereby acknowledge that I am authorized by the Master Articles to execute these Master Bylaws on behalf of the Master Association.

Dated: _____

DECLARANT GROVES FAMILY, LLC

By (printed): _____

Its: _____

When recorded, return to:

**MASTER DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS
FOR MACGREGOR TOWNSITE
A Master Planned, Mixed-Use Community
(Valley County, Idaho)**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MACGREGOR TOWNSITE, a Master Planned, Mixed-Use Community (“Master Declaration”) is hereby adopted by Groves Family, LLC, its successors, and assigns, (hereinafter “Declarant”) and is made effective as of the date recorded in the Valley County Recorder’s Office.

R E C I T A L S:

(A) This Master Declaration affects and concerns the real property located in Valley County, Idaho and more particularly described in **Exhibit “A”** attached hereto and incorporated herein by this reference (“Property” or “Master Community”)

(B) On or about _____ a Plat Map depicting Phase 1 of the Master Community was recorded in the Valley County Recorder’s Office, as Instrument No. _____ (“Plat”).

(C) On or about _____, a Development Agreement was recorded as Instrument No. _____, which governs aspects of the development of the Master Community (“Development Agreement”).

(D) Neighborhoods & Sub-associations. Subject to modification and expansion as the Master Community progresses, the following may be established distinct Neighborhoods within the Master Community. It is further anticipated that some of the Neighborhoods may be managed and subject to a sub-association. The following Neighborhood are not intended to be an exhaustive list.

1. Single family homes;
2. Townhomes;
3. Community Commercial Center - shall be separate and distinct from the Master Association and not subject to the Master Association except where agreed in writing such as an easement/maintenance agreement.

It is the purpose and intent of the provisions of this Master Declaration that the Master Association shall be charged with and responsible for the management of the Common Areas and open space within the Master Community. With Master Association approval, Sub-associations may be tasked with certain maintenance responsibilities where necessary and prudent.

(E) Declarant desires to subject the Property to the terms of this Master Declaration. Declarant intends to develop a master, mixed-use development on the Property pursuant to the local ordinance, the Homeowner's Association Act. Declarant will develop and convey all of the Lots within the Master Community subject to a general plan of development, and subject to certain protective covenants, conditions, restrictions, and easements, as set forth in this Master Declaration, which are deemed to be covenants running with the land mutually burdening and benefitting each of the Lots/Dwellings within the Master Community. Common Areas and Limited Common Areas are those areas that are depicted in the recorded Plat(s), as amended, or as described in this Master Declaration. The Master Community does not constitute a cooperative.

(F) Declarant have deemed it desirable, for the efficient preservation of the values and amenities of the Master Community, to create an entity which possesses the powers to maintain and administer the Common Areas and Limited Common Areas (where applicable) and otherwise administer and enforce the provisions of this Master Declaration. For such purposes, Declarant will cause to be registered with the Idaho Secretary of State the MacGregor Townsite Master Association, Inc. ("Master Association"). The Master Association is governed by the terms of this Master Declaration, the Master Articles, and the Master Bylaws, which are attached hereto as **Exhibit "B."**

(G) No provision of this Master Declaration shall prevent the Declarant from doing any of the following, which shall be deemed to be among Declarant's reserved rights in addition to such rights as may be described elsewhere in this Master Declaration: (1) installation and completion of the Subdivision Improvements; (2) use of any Lot owned by the Declarant as a model home, or for the placement of a temporary construction or sales office; (3) installation and maintenance of signs incidental to sales or construction which are in compliance with applicable City or County ordinances; (4) assignment of Declarant rights under this Master Declaration in whole or part; and (5) Declarant rights with respect to subsequent phases or expansion of the Master Community.

(H) Supplemental or Neighborhood Declarations, as may be deemed appropriate by Declarant, on a phase-by-phase basis to address differences in circumstances may be recorded related to expansion of the Master Community. Declarant may also record plats alone to annex additional phases. Declarant or the Master Association must approve all Supplemental or Neighborhood Declarations.

(I) Upon the written approval of the Master Association, a Neighborhood Declaration may be recorded organizing a sub-association.

(J) These Recitals are made a part of this Master Declaration.

COVENANTS, CONDITIONS AND RESTRICTIONS

ARTICLE I - DEFINITIONS

1.0 Unless the context clearly requires the application of a more general meaning, the following terms when used in the Master Governing Documents shall have the following

meanings:

- (A) “Act” shall mean the Homeowner’s Association Act, Idaho Code § 55-3201 *et. seq.*
- (B) “Architectural Control Committee” or “ACC” shall mean the Architectural Control Committee created by Master Association in accordance with the Governing Documents, which shall govern the entire Master Community. The ACC may, in its sole discretion, delegate certain responsibilities to Neighborhood Sub-associations. Declarant shall retain the authority to appoint the Master Board and correspondingly the ACC until Declarant no longer owns any property within the Master Community.
- (C) “Articles” see “Master Articles.”
- (D) “Assessment” shall mean any monetary charge, fine or fee imposed or levied against an Owner by the Master Association, as provided in the Governing Documents, regardless of whether said assessment is identified as a regular assessment, master assessment, neighborhood assessment, lot-type assessment, special assessment, limited assessment, individual assessment, reserve assessment, capital improvement assessment, late fee or other charge. Sub-associations may also levy assessments separately to members within their respective sub-association.
- (E) “Bulk Service Contract” or “Bulk Service Provider” shall mean a service provider for items such as; internet, television, cable, satellite, telephone, data, solar power, and similar utilities and services.
- (F) “Bylaws” see “Master Bylaws”
- (G) “City” shall mean Donnelly, Idaho and its appropriate departments, officials and committees.
- (H) “County” shall mean Valley County, Idaho and its appropriate departments, officials and committees.
- (I) “Common Area(s)” shall mean all property designated on the recorded Plat(s) or described in this Master Declaration as Common Area, being intended ultimately to be owned by the Master Association for the common use and enjoyment of all Members, together with all Improvements thereon and all of the easements appurtenant thereto including, but not limited to: open space, private roads, detention basins, Master Community amenities, private utility lines (not owned and maintained by City/County and serving a single Dwelling/Lot), community signage, community mailbox (if any), perimeter or amenity fencing, and visitor parking. Certain community amenities may be owned by future sub-associations (as set forth in subsequent plats, recorded documents or governing documents). Owners in the Master Community enjoy corresponding rights of access along with maintenance responsibilities for community amenities. Subsequent Neighborhood Declarations, as approved by the Master Association, may make further designations within said Neighborhoods with regard to Common Areas or amenities within sub-associations.

1. Certain pathways or open space within the Master Community may be controlled or maintained by the Master Association (or City/County) for the benefit of all Members of the Master Association.
2. The Master Association may enter into agreement with the City/County with regard to access and maintenance of certain trails within the Master Community.

(J) “Common Expenses” means any and all costs, expenses and liabilities incurred by or on behalf of the Master Association, including, without limitation, costs, expenses and liabilities for: (A) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Areas, (and any Limited Common Areas that are the responsibility of the Master Association if applicable); (B) providing facilities, services and other benefits to Owners as set forth in this Master Declaration; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (D) levying, collecting and enforcing the assessments; (E) operating the Master Association; and (F) creating reserves for any such costs, expenses and liability as required by this Master Declaration or the Act.

(K) “Declarant” shall mean and refer to Groves Family, LLC, and its successors and assigns.

1. “Declarant Related Entity or Entities” shall mean Declarant, parent companies, subsidiaries, assigns, successors, related or designated construction entities, or other entities established by Declarant or Declarant’s members for the purpose of owning, developing, constructing and/or selling Lots or Dwellings in the Master Community.

(L) “Declaration” see “Master Declaration.”

(M) “Design Guidelines” may be adopted by the Declarant, ACC or Master Board governing Improvements in the Master Community.

(N) “Development Agreement” shall mean that certain agreement identified in the Recitals.

(O) “Dwelling” may refer to any independent residential or commercial structure, as the context requires, together with all Improvements used in conjunction with such residence/structure, including but not limited to: commercial buildings, storage sheds, RV stall, townhomes, patio homes, and single-family residences. All pipes, wires, conduits, or other public utility installations serving only that Dwelling shall be considered part of the Dwelling.

(P) “Governing Documents” shall mean this Master Declaration, Plat(s), Master Bylaws, Master Articles, Master Rules, Design Guidelines. and any other documents or agreements binding upon an Owner.

(Q) “Improvement” shall mean all structures and appurtenances of every type and kind, including, but not limited to: buildings, facilities, amenities, Dwellings, residences, garages, walkways, retaining walls, driveways, fences, landscaping, decks, stairs, poles, lighting, signs, satellite dishes or other antennas, and any mechanical equipment located on the exterior of any

building or Dwelling.

(R) “Limited Common Area” shall mean all property designated on the recorded Plat Map(s), or as described in sub-association documents as Limited Common Areas, which may be owned by individual sub-association but for the exclusive use and enjoyment of one or more appurtenant Lots/Dwellings but fewer than all of the Lots/Dwellings.

(S) “Lot” shall mean any numbered lot shown on any official and recorded Plats, including all Improvement located thereon. Lot may also refer to the individual Dwelling, whether attached or detached.

(T) “Manager” shall mean any entity or person engaged by the Master Board to manage the Master Community.

(U) “Master Articles shall mean the Articles of Incorporation of the Master Association, as amended.

(V) “Master Association” shall mean MacGregor Townsite Master Association, Inc. and, as the context requires, the duly elected and authorized Board of Directors through its officers, directors and managers.

(W) “Master Board” or “Board” means the Board of Directors of the Master Association elected pursuant to the Bylaws and serving as the management body of the Master Association.

(X) “Master Bylaws” shall mean the Bylaws of the Master Association, as amended.

(W) “Master Declaration” shall mean the Master Declaration of Covenants, Conditions and Restrictions for MacGregor Townsite, a master, mixed-use community, together with any subsequent amendments or additions through subsequent recording amendments or supplements.

(Z) “Member” or “Owner” shall mean and refer to the person who is the Owner of record (in the office of the County Recorder of Valley County, Idaho) of a fee simple or an undivided interest in any Lot/Dwelling. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term “Owner” shall not mean or include a mortgagee or a beneficiary of trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof. Owner may include a non-natural, but legally recognized entity, such as a limited liability company, corporation, partnership, limited partnership, trust, and/or other legally entity recognized by Idaho State law. Accordingly, such an Owner may designate a natural person of its selection as Owner’s agent to serve and act in the Owner’s place. Notwithstanding the foregoing, an Owner may designate only one natural person to serve as its agent at any one time.

(AA) “Neighborhood,” or “Sub-association” shall mean a separate and distinct area within the Master Community, which may or may not include a sub-association or separate association. Sub-associations, with the consent of the Master Association, may be created by the recording of a Neighborhood Declaration. The Master Declaration will be recorded in conjunction

with the Phase 1 Plat and prior to any sub-association. It is anticipated that the following Neighborhoods will exist, which may be modified, added, or modified as the development progresses.

- Single Family Homes. It is anticipated that detached single-family homes will be governed by the Master Association.
- Townhomes. Townhomes or patio homes may be detached or attached structures and may have multiple townhomes within a single building. It is anticipated that the townhomes will be governed by a Neighborhood Association.
- MacGregor Townsite Community Commercial Center refers to the commercial property within the Master Community. It is anticipated that the commercial property be governed separately owner association and not subject to the Master Association.

Each Neighborhood may be subject to different Assessments; varying architectural and use restrictions, varying insurance requirements, and varying amenities and maintenance responsibilities, and other conditions specific to each Neighborhood.

(BB) “Party Wall” shall mean each wall which is built as a part of the original construction of a Dwellings/Units within the Master Community and placed on the dividing line between two Dwellings/Units shall constitute a Party Wall, and, to the extent consistent with the provisions of the Act, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. Neighborhood Declarations may provide additional maintenance and insurance details for Improvements with Party Walls.

(CC) “Person” shall mean a natural person or any legal entity with a right to hold title to real property in its own name in the State of Idaho.

(DD) “Plat(s)” shall mean an official and recorded plat of the Master Community, including all subsequent phases, if any, when recorded, as approved by City, and recorded in the office of the Valley Recorder, as it may be amended from time to time.

(EE) “Private Alley or Drive” shall mean and refer to any private roads in the community.

(FF) “Rules” or “Master Rules” shall mean any instrument adopted by the Master Board for the regulation and management of the Master Community, as provided in the Governing Documents.

(GG) “Subdivision Improvements” shall mean all improvements to be installed outside the boundaries of Lots or within easements that are necessary to provide access and utility service to the Lots and including other construction work required to comply with any conditions of City to the approval of the Master Community or any Plat(s) thereof.

(HH) “Undeveloped Land” shall, at any point in time, mean all of the real property more particularly described within metes and bounds descriptions as recorded with the Valley County

Recorder's Office, and may also include any other real property adjacent to the Master Community that is annexed into the Master Association according to the terms of the Master Declaration, as amended. Declarant's determination as to when any undeveloped real property ceases to be Undeveloped Land shall be conclusive. Undeveloped Land is identified in **Exhibit C** attached hereto.

ARTICLE II - EASEMENTS & OTHER RIGHTS

2.1 Easement Concerning Common Area. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Area. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom, or encumbered, pledged, assigned, or otherwise alienated by an Owner. Any Owner may temporarily delegate the right and easement of use and enjoyment described herein to any family member, household guest, tenant, lessee, contract purchaser, or other person who resides on such Owner's Lot. Notwithstanding the foregoing, no Owner shall have any right or interest in any easements forming a portion of the Common Area except for the necessary parking, access, and utility easements for use in common with others.

- (a) The Master Association shall be the trustee for all Owners with respect to easements, licenses, agreements, and conveyances of Common Areas, consistent with the Declaration and Idaho law.
- (b) The Master Association may enter into easement and maintenance agreements with neighboring properties, including MacGregor Townsite Community Commercial Center for use and maintenance of any private roadway or entries.

2.2 Easement Concerning Limited Common Area. The Master Association shall have a non-exclusive easement for any utility or any required maintenance in and through the Limited Common Area. With the exception of the rights and easements granted to the Master Association, the Owner(s) of a Lot shall have the exclusive use of all Limited Common Area appurtenant to their Lot.

- (a) The Master Association may also adopt Rules with regard to storage and materials that may be in the Limited Common Areas. The Master Association may, by rule, impose limitations on the use, upkeep, and prohibition of certain activities within the Limited Common Area. Limited Common Area may not be separated from the Ownership or occupation of the Dwelling.

2.3 Delegation of Use. Any Owner may delegate, in accordance with the Governing Documents, their right of enjoyment to the Common Area and any Common Facilities located thereon to the members of their family and their tenants and shall be deemed to have delegated said rights to contract purchasers who reside on said Owner's Lot.

2.4 Limitation on Easement. An Owner's right and easement of use and enjoyment concerning the Common Area shall be subject to the following:

- (a) The right of the Master Association to govern by Rules the use of the Common Area for the Owners so as to provide for the enjoyment of said Common Areas by every Owner in a manner consistent with the preservation of quiet enjoyment of the Lots by every Owner, including the right of the Master Association to impose reasonable

limitations on the number of guests per Owner who at any given time are permitted to use the Common Area;

- (b) The right of the Master Association to suspend an Owner's right to the use of the Common Areas, or any amenities included therein, for any period during which an Owner is in violation of the terms and conditions of the Governing Documents or delinquent in the payment of a levied assessment or fee.
- (c) The right of City, County, and any other governmental or quasi-governmental body having jurisdiction over the Property, to enjoy access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Common Areas for the purpose of providing police and fire protection, utility access/installation, and providing any other governmental or municipal service.
- (d) The right of the Master Association, as attorney in fact for the Owners, to dedicate, convey or grant easement rights to the Common Areas for such purposes and subject to such conditions as may be agreed to by the Master Association. No such dedication or transfer, however, may take place without the Association first receiving written approval from the relevant government agency pursuant to all applicable state and city ordinances in effect at the time of such proposed dedication or transfer.

2.5 Easements in Favor of Master Association. The Lots and Common Areas are hereby made subject to the following easements in favor of the Master Association and its directors, officers, agents, employees, and independent contractors:

- (a) For inspection during reasonable hours of the Lots, Limited Common Areas, and Common Area in order to verify the performance by Owners or other persons of all items of maintenance and repair for which they are responsible;
- (b) For inspection, maintenance, repair, and replacement of portions of the Dwellings, Limited Common Areas, and/or Common Areas as required by the Master Declaration;
- (c) For correction of emergency conditions in the Master Community;
- (d) Landscaping. The Master Association shall have an easement and related access rights in order to maintain the Common Area landscaping or any other landscaping that is the Master Association's responsibility; and
- (e) Private Alleys. The Master Association, subject to the rights and duties of Owners and sub-associations, shall be primarily responsible for the management, control, operation, care, maintenance, repair, replacement and upkeep of the any Private Alleys unless and until such responsibility is transferred to, and accepted by, a public agency, authority or utility in accordance with the provisions hereof.

2.6 Reservation of Access and Utility Easements. Declarant hereby reserves an easement for access and utilities (including but not limited to: electrical, gas, communication, phone, internet, cable, sewer, drainage and water facilities) over, under, along, across and through the Property, together with the right to grant to a City and County, or any other appropriate governmental agency, public utility or other utility corporation or association, easements for such purposes over, under, across, along and through the Property upon the usual terms and conditions

required by the grantee thereof for such easement rights.

2.7 Easements for Encroachments. If any part of the Common Areas as improved by Declarant now or hereafter encroaches upon any Lot or if any structure constructed by Declarant on any Lot now or hereafter encroaches upon any other Lot or upon any portion of the Common Area, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. If any structure on any Lot shall be partially or totally destroyed and then rebuilt in a manner intended to duplicate the structure so destroyed, minor encroachments of such structure upon any other Lot or upon any portion of the Common Area due to such reconstruction shall be permitted; and valid easements for such encroachments and the maintenance thereof, so long as they continue, shall exist.

2.8 Amenity Creation. Declarant shall install those amenities required by the Development Agreement.

2.9 Amenity Access. Members of a particular association or sub-association shall have access to that entity's amenities. Notwithstanding, a particular association or sub-association can restrict access to only members of that specific association or sub-association that owns and maintains such amenity.

2.10 Detention Basins. The Declarant shall install detention basins, as set forth in the Plat and consistent with the Development Agreement.

2.11 Private Alleys. Private Alleys shall be owned and maintained by the Master Association unless delegated to a sub-association.

- (a) All street lights in private alleys shall be owned and maintained by the Master Association unless delegated to a sub-association.
- (b) All utilities in Private Alleys that serve more than one Dwelling shall be maintained by the Master Association unless delegated to a sub-association. Utilities serving only an individual Dwelling shall be the responsibility of the Owner.
- (c) Street lights on public roads will be installed by developer but, thereafter, maintained by City.

2.12 Easements for Construction and Development Activities. Declarant reserves easements and rights of ingress and egress over, under, along, across and through the Property, consistent with Idaho Code 50-1302 and the Plats and Governing Documents, and the right to make such noise, dust and other disturbance as may be reasonably incident to or necessary for the (a) construction of Dwellings, (b) to maintain sales or leasing offices, management offices and models throughout the Master Community and to maintain one or more advertising signs on the Common Area with respect to the sales of Lots, or other property in the Master Community, (c) improvement of the Common Area, and construction, installation and maintenance thereon of roadways, walkways, buildings, structures, landscaping, and other facilities designed for the use and enjoyment of some or all of the Owners, and (d) construction, installation and maintenance on lands within, adjacent to, or serving the Property or Undeveloped Land.

2.13 Parking Areas. The Master Association may adopt rules governing parking in the Master Community.

2.14 Right to Modify Lot Boundaries and Interior Boundary Lines. Declarant reserves the unilateral right to modify Lot boundaries and interior boundary lines and/or combine Lots or Dwellings so long as it owns the Lots; provided, however, such changes may not extensively alter the boundaries of the Common Area and facilities nor change the percentages of ownership interest.

2.15 Income generated from negotiation, installation or provision of certain utilities and amenities. Declarant and/or Declarant Related Entities invest time, experience, infrastructure and/or capital in the negotiation, provision or installation of certain utilities and amenities (*e.g.*, internet, cable, fiber, phone, solar power, etc.) that provide services and benefits to owner in the Master Community that would not otherwise be available or at a reduced cost. Any income gained by these parties from these efforts may be retained by the Declarant, Declarant Related Entities, or their assigns, even after the Class B Control Period. The Master Association may enter into contracts with third parties related to the provisions of such utilities and amenities for the benefit of Owners in the Master Community, which utilities and amenities may be paid for through Assessments. Owners contracting separately with individual third-party providers will still be required to pay any normal and customary access fee for applicable bulk rate contract services entered into by the Master Association.

ARTICLE III - MEMBERSHIP, VOTING CLASSES & CONTROL PERIOD

3.1 Membership in the Master Association shall at all times consist exclusively of the Owners. Each Owner shall be a member of the Master Association so long as such Owner has an ownership interest in a Lot and such membership shall automatically terminate when the Owner cease to have an ownership interest in the Lot. Upon the transfer of an ownership interest in a Lot the new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Master Association. If titled ownership to a Lot is held by more than one Person, the membership appurtenant to that Lot shall be shared by all such Person in the same proportional interest and by the same type of tenancy in which title to the Lot is held. Notwithstanding the foregoing, the Declarant shall also be granted membership rights as a Class "B" Member, as defined below.

3.2 The Master Association shall have two (2) classes of voting membership, Class "A" and Class "B", as follows:

- (a) Class "A". Class "A" Members shall be all Owners with the exception of Class "B" membership, if any. Unless otherwise stated herein, Class "A" membership shall be entitled to one (1) equal vote for each Lot in which they are an Owner. Only an Owner that is current on all Assessments and/or other fees thirty days in advance of the meeting or vote shall be deemed in good standing and entitled to vote. With

regard to any approval that requires a specified percentage of total membership, the total membership shall be calculated from the total number of Owners eligible to vote at the time such approval is sought. Since an Owner may be more than one Person, if only one of such Person(s) is present at the meeting of the Master Association that Person shall be entitled to cast all votes appertaining to that Lot. But if more than one of such Person(s) is present, the votes appertaining to that Lot shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Lot without protest being made forthwith by any of the others to the person presiding over the meeting. The votes appurtenant to any one Lot may not be divided between Owners of such Lot or with respect to matters before the Master Association, and all such votes appurtenant to any one Lot shall be voted in one block. If the vote of a majority of the owners of a Lot cannot be determined, no vote shall be cast in relation to such Lot.

- (b) Class "B". The Class "B" Member shall be Declarant. In all matters requiring a vote, the Class "B" membership shall receive five hundred (500) votes for each recorded Lot, Dwelling, or acre of property in the Undeveloped Land owned by Declarant. The Class "B" membership shall also be entitled to appoint the members of the Master Board and Master Association during the Class "B" Control Period

3.3 The Class "B" Control Period runs until ninety (90) days after the first to occur of the following:

- (a) Declarant no longer owns any property in the Master Community – including the phases to be annexed; or
- (b) When, at its discretion, the Class B Member so determines.

3.4 Notwithstanding, Declarant may exercise its discretionary termination of control in whole or in part as to any portion of the Master Community at its sole election and determination. In doing so as to a portion of the Master Community, it does not waive any reversionary or remaining control as to all other portions of the Master Association, the control of which is not expressly terminated by Declarant.

ARTICLE IV - ANNEXATION

4.1 Annexation. Additional phases of Master Community may be added to the Property pursuant to the following procedures, and subject to the limitations as follows:

4.2 Annexation by Declarant. Declarant may from time to time and in its sole discretion expand the Property subject to this Master Declaration by the annexation of all or part of the lands initially constituting the Undeveloped Land. The annexation of any such land shall become effective upon the recordation of the office of the county Recorder of Valley County, Idaho, (a) a subdivision plat or map covering the land to be annexed and (b) **may include** a

supplemental declaration which (i) describes the land to be annexed or incorporated by reference to the description contained in the subdivision plat, (ii) declares that the annexed land is to be held, sold, conveyed, encumbered, leased, occupied and improved as part of the property subject to this Master Declaration, (iii) sets forth such additional limitations, restrictions, covenants and conditions as are applicable to the annexed land, (iv) states which portions of the annexed land are Common Areas and which portions are Lots within any new land classification, provided that the nature and incidents of any such new land classification shall be fully set forth in such supplemental declaration or in another supplemental declaration previously filed with respect to some portion of the property, and (v) describes generally any improvements situated on the annexed land. Upon the recordation of a subdivision plat covering the land to be annexed such land shall become part of the Master Community and subject to this Master Declaration, as amended.

4.3 Annexation by the Master Association. Following the Class B Control Period, the Master Association may annex land to the Master Community by obtaining approval of such annexation from (a) the owner or owners of the land to be annexed and (b) 67% of the Owners. Nothing in this paragraph shall be construed to require any prior approval for, or to limit or present, any annexation performed by Declarant, so long as such annexation satisfies the limitations set forth herein.

4.4 No Obligation to Annex or Develop. Declarant has no obligation hereunder to annex any additional land to the Master Community or to develop or preserve any portion of the Undeveloped Land in any particular way or according to any particular time schedule. No land other than the Property as defined on the date hereof and land annexed thereto in accordance with the terms of this Master Declaration shall be deemed to be subject to this Master Declaration, whether or not shown on any plat or map filed by Declarant or described or referred to in any documents executed or recorded by Declarant.

ARTICLE V - MASTER ASSOCIATION & ASSESSMENTS

5.1 Organization. The Master Association has been created to effectively enforce the Governing Documents and shall operate as a non-profit corporation.

- (a) Neighborhood Sub-association(s). During the Class B Control Period, the Master Association shall have the sole and absolute right to create one or more Sub-associations for purposes consistent with this Master Declaration including, but not limited to, the following which shall be provided for in a Neighborhood Declaration:
 - i. Acquire and improve any Lot, tract, parcel, or portion of the Tract.
 - ii. Promulgate rules and regulations governing Neighborhood Association Common Area owned by or under the control of the Neighborhood Association and rules and regulations governing

the reasonable use of Lots.

- iii. Determine the services, in addition to those furnished by the Master Association or Neighborhood Association, which are to be furnished to or for the benefit of the Members of the Neighborhood Association.
- iv. Assess the Neighborhood Association for collection of the Master Association Assessments or Owners directly.

5.2 Master Declaration Controls. Sub-association governing documents shall not be inconsistent with the terms and provisions of this Master Declaration and any inconsistency shall be governed by this Master Declaration. Neighborhood Sub-associations may be formed with the approval of the Master Board and by satisfying all necessary legal requirements including, but not limited to, the preparation, execution and recording of Sub-association governing documents.

5.3 Relationship between Master Association and Neighborhood Associations. It is the purpose and intent of the provisions of this Master Declaration that the Master Association shall be charged with and responsible for the management of all activities in the Master Community including, in addition to all other duties and responsibilities set forth herein, the following:

- (a) The approval of all rules and regulations of each Neighborhood Sub-Association and providing of assistance, where deemed appropriate by the Master Association, to a Neighborhood Association in the enforcement thereof; and
- (b) Approval of responsibilities between the association with the collection of Assessments of each Neighborhood Sub-association

Nothing herein contained shall restrict or prohibit a Neighborhood Association from owning, in its own name, Common Area or other property related thereto, the use of which shall be restricted to Members of that Neighborhood Association. However, it is the intent of this Master Declaration that any such Common Area owned by a Neighborhood Association, the use and maintenance thereof and the activities of the Neighborhood Association, shall be consistent with and in furtherance of the Master Community objectives and the terms and provisions of this Master Declaration to assure that the whole of the Master Community is developed and approved as a quality residential community.

5.4 Enforcement Powers. The Master Association shall have all powers granted to it by the Governing Documents and the Act to enforce these covenants and restrictions by actions in law or equity brought in the name of the Master Association, and the power to retain professional services needed to the enforcement of the Governing Documents and to incur expenses for that purpose, including but not limited to: (1) record, lien, foreclose and other enforcement and collection actions against an Owner and their Lot; (2) initiate legal or similar proceedings; (3) impose fines; (4) collect any rents directly from tenant for past due assessments; (5) terminate an Owners' right to receive utility service paid as a common expense; (6) terminate an Owner's right

to utilize Common Area and/or amenities; and (7) any other action or remedy allowed by the Governing Documents or Idaho law.

- (a) The Master Association shall have the exclusive right to initiate enforcement actions in the name of the Master Association. The Master Association may appear and represent the interest of the Master Community at all public meetings concerning zoning, variances, or other matters of general application and interest to the Owners.
- (b) The Master Association shall have the authority to initiate and compromise claims and litigation on behalf of the Master Association resulting from the enforcement of the Governing Documents. In the event that the Master Association initiates legal action against a specific Owner or Owners to enforce these Governing Document, whether or not such action results in the commencement of a formal legal proceeding, the Master Association shall have the right to assess the costs of such litigation, dispute, or enforcement action, including reasonable attorney fees, against the Owner(s) or Lot(s) in question and collect those assessment in any manner authorized in the Governing Documents or Idaho law.
- (c) The Master Board shall be afforded discretion to utilize its reasonable judgment to determine whether and how to: impose fines, record liens, pursue legal action; otherwise enforce the Governing Documents; or when and how to settle or compromise claims.

5.5 Master Association Rules. The Master Board from time to time and subject to the provisions of the Governing Documents, may adopt, amend, repeal and enforce Rules governing the Master Community. The Master Association's rulemaking authority may govern conduct and activities upon the Common Areas and Lots.

- (a) During the Class B Control Period, Declarant may adopt rules in its sole discretion.

5.6 Violation Deemed a Nuisance. Any violation of the Governing Documents that is permitted to remain on the Property is deemed a nuisance and is subject to abatement by the Master Association.

- (a) Any single or continuing violation of the covenants contained in this Governing Documents may be enjoined in an action brought by the Master Association. In any action brought to enforce these covenants, the prevailing party shall be entitled to recover as part of its judgment the reasonable costs of enforcement, including reasonable attorney fees and court costs.
- (b) Nothing in this Master Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state or local laws and ordinances for the abatement of nuisances, health and safety, or other matters. This Master Declaration is to be construed as being in addition to those remedies available at law.

- (c) The remedies available under this Master Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative.
- (d) The failure to take enforcement action shall not be construed as a waiver of the contents contained in this Master Declaration in the future or against other similar violations.

5.7 Assessments. Assessments will be made to meet the anticipated and recurring costs, expenses, and Common Expenses of the Master Association. The Master Association has the power to levy assessments against each Lot as necessary to carry out its functions. Assessments shall be levied against all Lots in the Property, whether vacant or improved. Each Owner shall by acquiring or in any way becoming vested with their interest in a Lot, be deemed to covenant and agree to pay to the Master Association the assessments described in these covenants, together with late payment fees, interest, and costs of collection (including reasonable attorney fees).

- (a) All such amounts shall be, constitute and remain: (a) a charge and continuing lien upon the Lot with respect to which such assessment is made until fully paid; and (b) the personal, joint and several obligations of the Owner or Owners of such Lot at the time the assessment falls due. No Owner may exempt themselves or their Lot from liability for payment of assessments by waiver of their rights in the Common Areas or by abandonment of their Lot. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments, late payment fees, interest, and costs of collection (including reasonable attorney fees) which shall be a charge on the Lot at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee.
- (b) **Special Assessment.** The Master Association may levy special assessments for the purpose of defraying, in whole or in part: (a) any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (b) the cost of any construction, reconstruction, or unexpectedly required repairs or replacement of the Common Areas.
- (c) **Individual Assessment.** The Master Association may levy individual assessments on every Lot, Owner or occupant that shall cause any damage to the Master Community or otherwise causes the Master Association to incur any individual expense for maintenance, repairs, or enforcement action taken under the provisions of the Governing Documents. The amount of any such individual assessments shall be determined by the cost of such repairs, maintenance, or enforcement action, including all overhead and administrative costs (including reasonable attorney fees), and shall be allocated among the affected Owner(s) or Lot(s) according to the cause of damage, maintenance, repair work or enforcement action, as the case may be, which individual assessment may be levied in advance of the performance of work.
- (d) **Neighborhood Assessments.** Neighborhood Assessments will be made to meet the

anticipated and recurring costs, expenses, and Common Expenses of the Neighborhood Sub-associations. The Neighborhood Association has the power to levy assessments against each Lot as necessary to carry out its functions, together with late payment fees, interest, and costs of collection (including reasonable attorney fees), if and when applicable. If the Neighborhood Sub-Association fails to levy and collect neighborhood assessments, the Master Association may elect to carry out those functions. Further, the Master Association may levy a Neighborhood Assessment to Owners in a specific Neighborhood for costs, special services, or amenities available for Owners within that Neighborhood that are provided by the Master Association.

- (e) Lot Type Assessment. An assessment based upon a specific Lot or housing produced (i.e. Dwelling), and the related costs and services provides for that Lot Type.
- (f) Reserve Fund. The Master Association may levy a reserve fund assessment, as set forth in this article.
- (g) The Master Association may levy other assessments or fees, as authorized by the Governing Documents.

5.8 Budget. The Board is authorized and required to adopt a budget annually. The Board may revise the approved budget from time to time as necessary to accurately reflect actual and/or anticipated expenses that are materially greater than previously budget. The budget shall estimate and include the total amount for the Common Expenses, shall contain an appropriate amount for reserves, and may include an amount for other contingencies. The budget shall also be broken down into reasonably detailed expense and income categories. Unless otherwise established by the Board, regular Assessments shall be paid in equal monthly installments.

5.9 Reserve Fund Analysis. The Board may cause a reserve analysis to be conducted from time to time to analyze the cost of repairing, replacing, or restoring Common Area. The Board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Board, to conduct the reserve analysis.

5.10 Transfer Fee. Pursuant to Idaho Code § 55-3102(4)(f), upon the sale or transfer of a Lot within the Master Association, a transfer fee in the amount established by the Board, which amount may be established from time to time by resolution, shall be paid to the Master Association at the time of conveyance or transfer. This transfer fee shall be for the benefit of the Master Association, its members and property and shall be utilized for purposes set forth in the Master Association's Governing Documents. Declarant may establish such other fees and charges for set up, issuance of estoppel certificates, and other charges as allowed by law. Declarant and Declarant Related Entities are exempt from the Transfer Fee.

5.11 Date of Commencement of Assessments. Assessments provided for herein shall commence as to each Lot on the first day of the first month following the effective date of the first budget. Assessments shall be due and payable in a manner and on a schedule, as the Board may

provide. Notwithstanding, Assessments for those Lots owned by Declarant or their assigns, successors, subsidiaries, related construction entities, or other entities established by Declarant, or Declarant' members, for the purpose of constructing Dwellings on the Lot (collectively "Declarant' Related Entities") shall not commence until the completed Lot is conveyed to an Owner that is not the Declarant or a Declarant' Related Entity. No amendment of this Declaration changing the allocation assessments with regard to Declarant or Declarant Related Entities shall be valid without the consent of the Declarant.

5.12 Fines & Hearing Process. Following notice and procedure, as required by the Idaho Code §55-115(2), the Master Association shall have the power to assess a fine against an Owner and/or their Lot for a violation of the terms and conditions of the Governing Documents in an amount established by the Board. The Board may. The Board may designate a manger or agent to assist in the violation, fine and hearing process. Further, the Board may independently take legal action, when needed, to correct or enjoin violations of the Declaration.

5.13 Mechanic's Lien Rights. No labor performed or services or materials furnished with the consent of or at the request of an Owner or such Owner's agent, contractor or subcontractor shall be the basis for the filing of a lien against the Common Area or the Lot of any other Owner or against any part thereof, or against any other property of any other Owners, unless such other Owner has expressly consented to or requested in writing the performance of such labor or furnishing of such materials or services. Such express written consent shall be deemed to have been given by the Owner of any Lot in the case of emergency corrective action undertaken by the Master Association. Labor performed or services or materials furnished for the Property if duly authorized by the Master Association shall be deemed to be performed or furnished with the express consent of each Owner. Any Owner may remove their Lot from a lien against two or more Lots or any part thereof by payment of sums created by such lien, which is attributable to such Owner's Lot.

5.14 Delinquent Assessment. Any assessment not timely paid shall be delinquent, and the Master Association may invoke any and all remedies to recover said delinquent assessments including by: suit, judgment, lien, foreclosure, or other remedy authorized by the Governing Documents or the Idaho law.

5.15 Due Date, Charges & Interest. The Board may adopt Rules and policies to provide further detail or that expressly modify this section. Unless otherwise established by the Board, monthly assessments shall be due and payable on the first of each month and late if not received by the 10th of each month. The Board may charge a late fee in an amount set by the Board, for each unpaid or late assessment. In addition to late fees, interest may accrue on all unpaid balances at 18% per annum. The Board may also impose other reasonable charges imposed by a manager related to collections.

5.16 Lien. Upon recording of a notice of lien on any Lot, there shall exist a perfected lien for unpaid assessments prior to all other liens, except liens that by law would be superior

thereto.

5.17 Foreclosure Sale. The Master Association shall have all rights and power of foreclosure granted by the law, including non-judicial foreclosure through power of sale in the same manner as a deed of trust. The Master Association may also bid for the Lot at foreclosure sale, acquire, hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Master Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be charged or levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of any Special Assessment that would have been charged had such Lot not been acquired by the Master Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments and attorney fees shall be maintainable without foreclosing or waiving the lien securing the same.

5.18 Other Remedies. All rights and remedies of the Master Association shall be cumulative, and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy. The "One Action Rule" shall not be a defense to the enforcement of all rights and remedies of the Master Association. The Master Association may elect to bring an action to recover for a delinquent Assessment against the Owner, including purchaser or seller, and other obligees. Any attorney fees or costs incurred in these efforts shall also be assessed against the Owner(s), their Lot(s), and/or other obligees jointly and severally.

5.19 Payment by Tenant. The Master Association shall be entitled to demand and collect from a tenant of any Lot the amount of any assessment that is more than sixty (60) days past due.

5.20 Attorney Fees. In addition to the recovery of costs and attorney fees as provided herein, the Master Association shall be entitled to recover all reasonable attorney fees and costs incurred as a result of an Owner breach of the Governing Documents, including meetings, research, memoranda, monitoring, and other legal work incurred in response to an Owner breach or violation of the Governing Documents. These fees may be collected by special or individual assessment against the subject Owner(s) or Lot(s).

5.21 Appointment of Trustee. Such lien may be foreclosed by appropriate action in court or through power of sale in the same manner as a deed of trust by the Master Association, 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 in deeds of trust or any other manner permitted by law. The Master Association hereby appoints Burt R. Willie, Esq., a licensed member of the Idaho State Bar, or subsequently designated and qualified individual, with power of sale, the Lot and all Improvements to the Lot for the purpose of securing payment of assessments and fees under the terms of this Declaration.

ARTICLE VI - ARCHITECTURAL CONTROL COMMITTEE

6.1 Architectural Control Committee (“ACC”). An Architectural Control Committee may be appointed by the Declarant to oversee any construction, re-construction, remodeling or altering of exterior Improvements in the Master Community. If no ACC is appointed, the Master Board will assume the duties and responsibilities of the ACC. The Master Association may coordinate and adopt a process with the Neighborhood Associations regarding any necessary coordination and approval of Improvements within the Neighborhood Associations. Declarant shall remain empowered to appoint the ACC until it turns over such authority in writing to the Master Association.

6.2 Approval by Master Board or ACC Required. No exterior Improvement of any kind will be constructed or commenced on any Lot(s) within the Master Community without the prior, written approval of the ACC, which plans must be harmonious with existing Improvements and the existing character within the Master Community. The overall architectural style and detailing of each Improvement (including each Dwelling) and the associated landscaping and site use is subject to ACC review and approval. Approval of the ACC will be sought in the following manner:

- (a) Plans Submitted. A written rendering, prepared by a licensed architect or engineer when requested by the ACC, of the proposed remodeling or construction must be submitted. The Plans shall also include: (1) a description of how debris will be removed; (2) name, address and phone number of contractor(s) performing the work; (3) when construction or remodeling will begin and conclude; and (4) proposal to mitigate any nuisance to other Owner(s).
- (b) Review. Within 45 days from receipt of the submitted plans, the ACC will review the plans and respond in writing to the Owner determining whether or not the plans comply with the conditions imposed by the Master Declaration and are consistent with and in architectural harmony with other Improvements within the Master Community. The ACC may: (1) approve the plans; (2) reject the plans; (3) request additional information; or (4) require that certain conditions be met.
- (c) Failure to Act. If the ACC fails to respond, Owner may complete the construction in accordance with the submitted plans. Notwithstanding the Improvement(s) shall not violate the terms and condition of the Master Declaration and shall be in architectural harmony and consistent with the other Improvements in the Master Community.

6.3 Variances. The ACC cannot grant any variance that has the effect of modifying applicable zoning or building code regulations or directly violates the Governing Documents. The burden of obtaining a variance is entirely on the applicant.

6.4 Declarant, Master Board and ACC Not Liable. The Declarant, Master Board, ACC and its members shall not be liable to the applicant for any damages, or to the Owners of any Lots within the Master Community for their actions, inactions, or approval or disapproval of any set of plans submitted for review. The Owners' shall have no claim against the Declarant, Master Board or ACC as a result of the performance or failure to perform the duties created by this Master Declaration. Each Owner has an equal duty and right to enforce these covenants against every other Owner and may seek independent redress if it believes the Declarant, Master Board or ACC has acted improperly.

6.5 Limitations on Review. The ACC shall have no authority over the enforcement of building codes, zoning ordinances, or other statutes, laws or ordinances affecting the development or improvement of real property and shall have no liability to any Owner whose plans were approved in a manner that included any such violation. Corrections or changes in plans to bring them into conformity with applicable codes must be approved by the ACC prior to construction.

6.6 Architectural Review Fee. The ACC may charge a fee to an Owner submitting a plan for review not to exceed the actual costs to review the plans.

6.7 Exception for Declarant and Declarant Related Entities. The foregoing provisions of this Article shall not apply to any improvement, construction, landscaping, or alteration which is carried out by Declarant or Declarant Related Entities on any Lot or on any part of the Common Areas and which occurs at any time during Class B Control Period.

6.8 Approved Builder. During the Class B Control Period, only contractors approved in advance by Declarant, in their sole discretion, may construct Improvement(s) upon the Lots.

ARTICLE VII - ARCHITECTURAL RESTRICTIONS

7.1 Development Agreement. All Improvements shall satisfy those architectural restrictions set forth in Development Agreement with City, as amended.

7.2 Design Guidelines. The Declarant and/or ACC may adopt Design Guidelines that are consistent with the Development Agreement but may include additional detail and restrictions.

7.3 Neighborhood Sub-Association. Sub-association governing documents may establish further architectural and design requirements and restrictions, as approved by the ACC, applicable to Improvements and Dwellings within a Sub-association.

7.4 Landscaping. Declarant shall install the initial landscaping in the Master Community consistent with the Development Agreement. Such landscaping shall be consistent with the Development Agreement and be consistent with current water-wise landscaping principals.

(a) Water-wise landscaping installed by Declarant may NOT be later replaced

- with sod or other high water demand landscaping.
- (b) Landscaping within the detention basins shall be with consistent with the Development Agreement.

7.5 Fencing. No fence, wall, hedge, or other dividing structure may be installed without the prior, written consent of the Master Board or ACC.

ARTICLE VIII - COMMON AREAS, LIMITED COMMON AREAS, DWELLINGS & MAINTENANCE

8.1 The Common Areas shall be and are hereby conveyed to the Master Association, an Idaho non-profit corporation, subject to this Master Declaration and subject to all easements as set forth in this Master Declaration.

8.2 Common Areas Maintained by the Master Association. All Common Areas shall be maintained by the Master Association, which shall generally include (where applicable):

- (a) Open space parcels, Common Areas, landscape buffers, detention basins, community trails.
- (b) Asphalt repair, maintenance and replacement of any Private Roads;
- (c) Landscaping. The Master Association shall contract with a third party to perform general landscaping maintenance of the Common Areas. The Master Association may adopt Rules to add further detail with regard specific landscape maintenance services provided by the Master Association (including any landscaping responsibilities located on a Lot) and those responsibilities of Owners concerning items including, but not limited to: gardens, flowerbeds, bushes, trees, and other landscaping elements.
- (d) Snow Removal. The Master Association may adopt Rules governing snow removal in the Master Community.
- (e) Repair, maintenance and replacement of perimeter fencing surrounding the Master Community.
- (f) Light poles on Private Alleys;
- (g) Community mailboxes;
- (h) Walkways and sidewalks that serve more than one Lot (not maintained by City); and
- (i) Private utility lines/infrastructure that serves more than one Lot/Dwelling (not maintained by the City).

8.2 Limited Common Areas. The Association shall maintain, repair, and replace all Limited Common Areas, which costs may be attributed to the affected Owner(s) of the Limited Common Areas.

8.3 Dwelling Maintenance. With exception of Common Area, the Master Association will not perform any maintenance for Dwelling governed only by Master Declaration. Such

maintenance will be the responsibility of the Owners and/or Sub-association, as further detailed in sub-association documents.

8.4 Duty to Maintain. It is the obligation of each Owner to maintain their Lot, Dwelling and Improvements located thereon in a clean and sanitary condition and uncluttered at all times in order to preserve and enhance the enjoyment of the Master Community.

8.5 Repairs by Master Association. In the event that an Owner permits their Lot or Improvements to fall into a state of disrepair that is dangerous, unsafe, unsanitary, or unsightly condition or fails to comply with any other covenant or restriction in violation of this Master Declaration, the Master Association may give written notice to the Owner describing the condition complained of and demand that the Owner correct the condition within 15 days. If the Owner fails to take corrective action, the Master Association shall have the right, but not the obligation, to enter upon the offending Owner's Lot and take corrective action to abate the condition. All costs of abatement shall be charged to the Owner, who agrees to promptly pay the reasonable costs of any work performed under this provision, plus 15%. In addition, each Owner hereby grants to the Master Association a lien on the Lot and any improvements to secure repayment of any sums advanced pursuant to this section, which lien may be foreclosed at any time by the Master Association in the manner prescribed in Idaho for the foreclosure of trust deeds. Alternatively, without requiring foreclosure, the Master Association may seek collection of sums advanced directly from the Owner of the Lot in question. Unpaid amounts will bear interest from the date advanced at the lawful judgment rate under applicable state law.

8.6 Alterations of Exterior Appearance. The Owners will maintain their Lots and Improvements in substantially the same condition and appearance as originally constructed. No subsequent exterior alterations, improvements, or remodeling, whether structural or changes in landscaping, paint color or materials will be made without the advance consent of the Master Board or ACC. Declarant shall be exempt from this provision.

8.7 Repair Following Damage. In the event of casualty loss or damage to the improvements, the Owner will be entitled to reconstruct the Improvements as they existed prior to the damage or loss without review by the Master Board, provided however that alterations or deviations from the original approved plans will require review. Nothing in this Master Declaration is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent injury or dangerous conditions following loss or damage before re-construction begins. Such temporary measures may be taken without the consent or approval of the Master Board, provided that any such measure must be of a temporary nature, and repair or reconstruction must begin as soon as circumstances permit. Unless delayed by City approval or insurance carrier approval, no damaged structure will be permitted to remain on any Lot for more than 90 days without repairs commencing and any damaged structure which does remain unrepaired after 90 days following the occurrence of damage is deemed a nuisance which may be abated by the Master Association

ARTICLE IX -USE LIMITATIONS & RESTRICTIONS

9.1 Neighborhood Sub-Association. Sub-association governing documents may establish further use restrictions, as approved by the Master ACC, applicable to Sub-associations.

9.2 Single Family. All Lots shall be used only for single-family residential purposes, as defined in City ordinances. No individual room rentals are allowed. An otherwise allowable rental may not be less than the entire Dwelling.

9.3 Zoning Regulations. The lawfully enacted zoning regulations of City and/or County, and any building, fire, and health codes are in full force and effect in the Master Community. No Lot may be occupied in a manner that is in violation of any statute, law, or ordinance.

9.4 Acceptable Business Uses. The Declarant, or other approved builder may utilize Lots for purposes of a construction office or sales office during the actual period of construction of the Master Community or until 100% of the Lots are sold in the Master Community. An Owner may utilize their Lot for a home occupation business pursuant to City ordinance. However, businesses, professions or trades may not: require heavy equipment, emit significant sound or odor, unreasonably increase traffic, or create a nuisance within the Master Community.

9.5 Passenger Vehicles and Recreational Vehicles & Equipment. The Master Association may adopt rules further governing the parking and storage of all vehicles in the Master Community.

- (a) Recreational Vehicles & Equipment shall include, but is not limited to: watercraft, boats, trailers, motorhomes, buses, RVs, campers, camper vans, fifth wheel trailers, side-by-sides, atvs, snowmobiles, dirt bikes, maintenance equipment, commercial vehicles and equipment, and large trucks and other vehicles (over 23 feet in length, seven feet in width, or seven feet in height).
- (b) Passenger Vehicles are broadly defined to include all motorized vehicles of any type that are not defined as Recreational Vehicles & Equipment, generally including all commonly sized passenger vehicles.
- (c) Recreation Vehicles & Equipment must be parked on the side or rear of the single-family home in locations approved by the Master Board or ACC.

9.6 Animals. No animals, livestock, or poultry of any kind shall be raised, kept, or bred for any commercial purpose. All animals in the Master Community shall be maintained as required by the laws and ordinances of City/County. The Master Association may adopt rules further governing the animals in the Master Community.

9.7 Maintenance of Property. All Lots and Improvements shall be maintained in a clean, sanitary, and attractive condition at all times. No unsightliness is permitted on any Lot, which include, without limitation, the open storage of any building materials (except during construction of Improvements) open storage or parking of construction equipment, or inoperable motor vehicles; accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; household refuse or garbage except as stored in tight containers in an enclosure such as garbage bins; lawn or garden furniture, except during the season of use; and the storage or accumulation of any other material, vehicle, or equipment on the Dwelling in any visually unappealing manner. No clothes lines, service yards, or storage yards shall be permitted.

9.8 Trash and Rubbish. Trash, rubbish, garbage, or other waste shall not be kept except in covered containers. The Board may adopt further rules and policies governing trash containers and collection.

9.9 Long Term Leasing. Any occupancy by tenant(s) for longer than six months shall be considered a long-term lease. Any long-term lease shall be in writing, shall be for an initial term of at least six months, and shall provide as a term of the agreement that the occupant shall comply with the Governing Documents, and that any failure to comply shall be a default under the lease. If a lease does not include these provisions, it shall nonetheless be deemed to be part of the lease and binding on the Owner and the occupant.

- (a) An Owner shall provide the Board with information identifying the occupants, vehicles, phone numbers, and other applicable contact information.
- (b) A copy of any lease agreement shall be delivered to the Master Association prior to occupation by the tenants.
- (c) Less than the entire Dwelling may not be rented (no room rentals are allowed).
- (d) Long Term Leasing for an otherwise qualifying Dwelling shall be limited to no more than 30% of the total Single-Family Dwellings, with Declarant and Declarant Related Entities excluded from this restriction.
- (e) The Owner(s) of a Dwelling shall be responsible for the occupant's or any guest's compliance with the Governing Documents. In addition to any other remedy for noncompliance with this Master Declaration, the Master Association, following notice to the Owner, shall have the right to initiate a forcible entry and unlawful detainer action, or similar such action, with the purpose of removing the offending non-owner occupant. The Master Association, the Board, and the Manager shall not have any liability for any action taken pursuant to this subparagraph and the Owner shall indemnify and pay the defense costs of the Master Association, the Board, and the Manager arising from any claim related to any action taken in good faith by any of them pursuant to this subparagraph. For purposes of this

subparagraph, each Owner in accepting the deed to a Dwelling expressly consents to such authority and authorizes and appoints the Master Association as attorney-in-fact for such Owner to execute any and all instruments and pursue any and all remedies available to remove the offending non-owner occupant.

- (f) The Master Board may adopt Rules requiring:
 - (i) Reporting and procedural requirement related to non-owner-occupied Dwellings; and
 - (ii) Other reasonable administrative provisions consistent with, and as it deems appropriate to enforce, the requirements of this Master Declaration.
- (g) Declarant and Declarant Related Entities are not subject to the restrictions set forth in this Article.

9.10 Short Term or Nightly Rentals in Designated Areas ONLY. Daily, nightly, weekly, or monthly occupation may only occur in designated areas within the Master Community. As the Declarant owns all property within the Master Community at the time this restriction is adopted, it is binding upon all future purchasers of property within the Master Community. The Declarant shall maintain a map within the Master Community depicting those neighborhoods, streets, blocks, or other sections within the Master Community where nightly or short-term rentals are allowed. Declarant may adopt specific rules, restrictions, and requirements for conduct within these nightly rental areas. Outside of these designated areas, short term or night rental is prohibited (whether pay or not), and Dwellings outside of designated areas may not be advertised or listed for short term rental on such sites as Airbnb, VRBO, HomeAway, Flipkey, Wimdu, House Trip and similar international, national, or local providers.

- (a) **Declarant and Declarant Related Entities are not subject to the restrictions set forth in this Article.**

9.11 External Improvements. No dog runs, walls, decks, or gazebos shall be allowed without prior approval of the ACC.

9.12 Satellite Dishes. For Townhomes and Single-family Homes, no more than one satellite dish may be installed. Notwithstanding, the use of fiber, cable and other less visible options are preferred. The location of any satellite dishes in the Master Community, including any related cables or infrastructure must receive the prior, written approval from the ACC.

9.13 Antenna. No antenna may be placed on the exterior of any Dwelling. Any antenna must be contained within the attic space of the Dwelling to which is attached.

9.14 Patios and Balconies. Patios and balconies are to be kept neat and orderly at all times. Residents shall not hang bathing suits, brooms, mops, rugs, lights, etc. on the patio or balcony. The installation of sunshades, blinds, or hanging fabrics is not allowed. Storage of any

personal property or trash containers is not allowed. All plants must be free standing and have saucers underneath them. Hanging plants are not permitted. No bikes and/or motorcycles are allowed to be kept on any patio or balcony at any time. Only furniture designed for outdoor use is permitted.

9.15 Holiday Lighting. Holiday Lighting and any other seasonal exterior décor to be temporarily attached to a Dwelling shall only be allowed on the Single-family Homes and Townhomes. The Board may adopt rules governing lighting and decorations.

9.16 Window Coverings. Residents shall not use blankets, sheets, foils, or non-standard window coverings in place of draperies or blinds. No flashing or neon lights shall be placed in/on premises.

9.17 Barbeques. The use or storage of any charcoal burner, liquid petroleum, gas fueled, or any other cooking devices ("Barbeque Devices") are prohibited in any Dwelling or on any balcony. With respect to single-family homes, Barbeque Devices may be stored in garage or rear patios and must be used outdoors within Lot boundaries. With respect to Townhomes, Barbeque Devices must be stored in garages, and used on the back patio of such Townhome.

9.18 External Energy Devices. No energy producing devices including, but not limited to, solar panels and generators of any kind, shall be constructed, installed, or maintained on the Property without approval of the ACC.

9.19 Signs and Flags. The Board is empowered to create other rules and regulations for political signs and the display of flags consistent with Idaho Code § 55-115(5) and (6).

9.20 Energy Conservation Equipment. Given that the Master Association maintains the roofs of the Dwellings, consistent with Idaho Code § 55-1154(4), solar energy equipment and devices are prohibited.

9.21 Other. Without limiting the generality of any of the foregoing provisions: (a) Unless otherwise approved by the ACC, no horns, whistles, bells, or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Lot or home. The ACC, in its sole discretion, shall have the right to determine the existence of any such nuisance. (b) No motorcycles or motor driven vehicles (except lawn maintenance equipment) shall be operated on any walkways or sidewalks within the Master Community. (c) The discharge of firearms, including without limitation, "B-B" guns (or of similar nature), and pellet guns, is prohibited. (d) On-site storage of gasoline or other fuels is prohibited on any Lot, with the exception of up to five (5) gallons of fuel stored for emergency purposes and operation of lawn mowers or similar tools or equipment. (e) All bicycles, tricycles, scooters, skateboards, and other play equipment, wading pools, baby strollers, and similar items shall be stored so as not to be visible from the streets or adjacent property. No such items shall be allowed to remain on the front of the Lots so as to be visible from adjacent property when not in use. (f) Reflective window

coverings are prohibited. (g) Above ground swimming pools greater than five feet in diameter are expressly prohibited, unless otherwise approved by the ACC.

9.22 Garages. The garage for the Townhomes and Single-Family Homes cannot be used for personal or rented storage. The primary use of the garage is for parking vehicles first and foremost.

ARTICLE X - INSURANCE

10.1 Insurance Requirement. The Master Association shall obtain insurance as required in this Master Declaration and as required by applicable law. The Master Association may obtain insurance that provides more or additional coverage than the insurance required in this Master Declaration. Different policies may be obtained from different insurance carriers and standalone policies may be purchased instead of or in addition to embedded, included coverage, or endorsements to other policies.

10.2 Property Insurance.

(a) Hazard Insurance.

(i) Blanket Policy of Property Insurance. The Master Association shall maintain a blanket policy of property insurance covering all Common Areas. Any blanket policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.

(b) Master Association's Right to Not Tender Claims that are Under the Deductible. If, in the exercise of its business judgment, the Board of Directors determines that a claim is likely not to exceed the Master Association's property insurance policy deductible the Master Association need not tender the claim to the Master Association's insurer.

10.3 Comprehensive General Liability (CGL) Insurance. The Master Association shall obtain CGL Insurance insuring the Master Association, the agents and employees of the Master Association, and the Owner, against liability incident to the use, ownership or maintenance of the Common Area or membership in the Master Association. The coverage limits under such policy shall not be less than One Million Dollars (\$1,000,000) covering all claims for death of or injury to any one person or property damage in any single occurrence.

10.4 Director's and Officer's Insurance. The Master Association shall obtain Directors' and Officers' liability insurance protecting the Board of Directors, the officers, and the Master Association against claims of wrongful acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). The policy should include:

(a) Include coverage for volunteers and employees;

- (b) Include coverage for monetary and non-monetary claims;
- (c) Provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims; and
- (d) Provide coverage for defamation. In the discretion of the Board of Directors, the policy may also include coverage for any manager and any employees of the manager and may provide that such coverage is secondary to any other policy that covers the manager or any employees of the manager.

10.5 Insurance Coverage for Theft and Embezzlement of Master Association Funds. The Master Association may obtain insurance covering the theft or embezzlement of funds coverage.

10.6 Master Association's Right to Negotiate All Claims and Losses and Receive Proceeds. Insurance proceeds for a loss under the Master Association's property insurance policy shall be payable to the Master Association, as insurance trustee; and shall not be payable to a holder of a security interest. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property if the property is to be repaired and restored as provided for in this Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Master Association. If the property is not to be repaired or restored, then any proceeds remaining after such action as is necessary related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Dwellings. Each Owner hereby appoints the Master Association, as attorney-in-fact for the purpose of negotiating all losses related thereto, including: the collection, receipt of, and the execution of releases of liability, and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representative, successors or assigns of an Owner.

10.7 Owner Act Cannot Void Coverage under Any Policy. An Owner's act or omission may not void an insurance policy or be a condition to recovery under a policy.

10.8 Owners' Individual Coverage. **EACH OWNER SHOULD PURCHASE INDIVIDUAL INSURANCE COVERAGE FOR THEIR LOT, DWELLING AND IMPROVEMENTS IN THE AMOUNT RECOMMENDED BY THE OWNER'S INSURANCE AGENT.**

10.9 Neighborhood Sub-association. Neighborhood Association shall obtain insurance consistent with sub-association governing documents.

10.10 Townhomes. In the event that a separate sub-association is not created for the Townhomes, the Declarant may update insurance, maintenance, and other provisions applicable to Townhomes.

ARTICLE XI - MISCELLANEOUS PROVISIONS

11.1 **Condemnation.** Whenever all or any part of the Common Areas shall be taken by condemnation (or conveyed in lieu of and under threat of condemnation), the Board may act on behalf of the Master Association in negotiating and completing such transaction.

11.2 **Damage & Destruction.** Immediately after damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Master Association, the Board, or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Common Areas. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Common Areas to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

- (a) Any damage or destruction to the Common Areas shall be repaired or reconstructed unless Owners representing at least seventy-five (75%) percent of the total vote of the Master Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the costs of repair or reconstruction, or both, are not made available to the Master Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Areas shall be repaired or reconstructed; provided, however, this provision shall not apply to construction mortgagees providing construction financing for such damaged property.
- (b) In the event, that it should be determined in the manner described above that the damage or destruction to the Common Areas shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Common Areas shall be restored to their natural state and maintained by the Master Association, in a neat and attractive condition.
- (c) If the damage or destruction to the Common Areas for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the members, levy a special assessment against all Owners as provided in the Governing Documents.

11.3 **Repurchase Option for Construction Defect Claims.** In the event any Owner shall commence action against Declarant or Declarant' Related Entities for the purpose of constructing

Dwellings on the Lot (collectively “Declarant”) in connection with any alleged construction defects in such Owner’s Lot, Declarant shall have the option, but not the obligation, to purchase such Lot on the following terms and conditions:

- (a) The purchase price shall be an amount equal to the sum of the following, less any sums paid to such Owner under any homeowner’s warranty, in connection with the alleged defect:
 - (i) The purchase price paid by the original Owner of the Lot when originally purchased from Declarant;
 - (ii) The agreed upon value of any improvements made to the Lot by anyone other than Declarant; and
 - (iii) The Owner’s reasonable moving costs.
- (b) Close of escrow shall occur not later than forty-five (45) days after written notice from Declarant to the Owner of Declarant’s intent to exercise the option herein.
- (c) Title shall be conveyed to Declarant free and clear of all monetary liens and other encumbrances other than non-delinquent real estate taxes.
- (d) Exercise of the repurchase option as provided for herein above shall constitute full and final satisfaction of all claims relating to the subject Lot and Lot. The Owner shall promptly execute and deliver any notice of dismissal or other document necessary or appropriate to evidence such satisfaction.
- (e) Declarant’s option to repurchase granted herein with respect to any particular Lot shall automatically terminate upon the expiration of the last applicable statute of limitations applicable to any construction or warranty claim governing such Lot including all applicable tolling periods.

11.4 Master Association Litigation.

(a) Notwithstanding any other provision to the contrary in this Declaration, the Master Association shall not file, commence or maintain any lawsuits, actions or legal proceedings against Declarant, the individual managers, owners, members or officers of Declarant, Declarant’s contractors, or any other person or entity involved in the construction of the Lots unless and until all of the following requirements have been satisfied:

- (i) The Master Association has obtained a legal opinion from an attorney licensed to practice law in Idaho having at least ten (10) years of experience in litigation practice, with the legal opinion providing in substance the following: (i) a description of the factual allegations and legal claims to be asserted in the action; (ii) an analysis of the facts and legal claims explaining why it would be in the best interests of the Master Association to file and pursue such action, taking into account the anticipated costs and expenses of litigation, the likelihood of success on

the merits of the claims, and the likelihood of recovery if a favorable judgment is obtained by the Master Association; and (iii) providing a budget of the estimated amounts of legal fees, costs, expert witness fees and other expenses likely to be incurred in connection with such action (the "Litigation Budget"); and

(ii) The Master Association has collected funds from the Owners, by special assessment or otherwise, equal to at least one-half (1/2) of the Litigation Budget.

(b) If any claims or actions falling within the scope of this Section are filed without satisfying all of the requirements set forth above, such claims/action shall be dismissed without prejudice and shall not be re-filed unless and until all such requirements have been satisfied. In any action to enforce the requirements of this Section, the prevailing party shall be entitled to an award of reasonable attorney fees and costs. Individual Owners, however, shall not be allowed to file or pursue any actions or claims belonging to other Owners or to the Master Association.

(c) No action affected by this Section shall be conducted utilizing legal counsel who are compensated on a contingency fee or similar means of compensation in which litigation costs and attorney's fees are not paid on a current basis or are paid out of the settlement or judgment amount recovered by the Master Association in such action.

(d) This Section shall not apply to: (i) actions brought by the Master Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (ii) the collection of assessments; (iii) proceedings involving challenges to ad valorem taxation; (iv) counterclaims brought by the Master Association in proceedings instituted against it; or, (v) actions brought by the Master Association against any contractor, vendor, or supplier of goods or services arising out of an express contract with the Master Association or its manager for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

11.5 Severability. Each of the covenants contained in this Declaration shall be independent of the others, and in the event that any one is found to be invalid, unenforceable, or illegal by a court of competent jurisdiction, the remaining covenants shall remain in full force and effect.

11.6 Consent, Power of Attorney, Waiver. By acceptance of a deed, lease, or other conveyance of an interest in Lot, each Owner or Occupant consents to the rights reserved to the Master Association in this Declaration, including but not limited to, the right to prepare, execute, file, process, and record necessary and appropriated documents and other items to establish and grant easements and to make necessary and appropriate amendments of this Declaration, the Plat and Bylaws. By such acceptance, each Owner or Occupant agrees to execute all documents and to do all other things as may be necessary or convenient to effect the same; and such acceptance

shall be deemed an appointment of the Master Association, with full right of substitution, as the attorney-in-fact of such Owner or Occupant to execute such documents and to do such things on Owner's or Occupant's behalf; and such appointment, being coupled with an interest, shall be irrevocable for the specific period of the Master Association's reserved rights as set forth in this Declaration and shall not be affected by the disability of any such Owner or Occupant.

11.7 No Representations and Warranties. Each Owner and occupant understand, agrees, and acknowledges through taking title or residing in the Project that the Declarant, Master Association, and the Board have not made any representations or warranties of any kind related to the Project and that each Owner or occupant has not relied upon any reorientations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose relative to the Project.

11.8 Amendment. At any time while this Declaration is in effect, the covenants herein contained can be modified by the Declarant or Declarant's successors and assigns during the Class B Control Period at the sole discretion of the Declarant. Thereafter, the covenants herein contained can only be modified by the affirmative vote of the Owners representing not less than sixty-seven (67%) percent of the total votes in the Master Association. No meeting or voting shall be required for an amendment, if the required, written consent is obtained from the requisite number of Owners.

11.9 Constructive Notice. Every person who owns, occupies, or acquires any right, title or interest in any Lot in the Project is conclusively deemed to have notice of this Declaration and its contents, and to have consented to the application and enforcement of each of the provision of this Declaration against their Lot, whether or not there is any reference to this Declaration in the instrument by which they acquire interest in any Lot.

11.10 Liberal Interpretation. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform plan for the development of the Project. Headings are inserted for convenience only and shall not be considered in interpretation of the provisions. Singular will include plural, and gender is intended to include masculine, feminine and neuter as well.

GROVES FAMILY, LLC, the Declarant

By: _____

Its: Authorized Representative

STATE OF IDAHO)

: ss

COUNTY OF _____)

On this _____ day of _____, 2024, personally appeared before me _____, who being by me duly sworn, did say that they are an authorized representative of Groves Family, LLC, and that the within and foregoing instrument was signed on behalf of said corporation and duly acknowledged to me that they executed the same.

Notary Public

Residing at: _____

My Commission Expires: _____

Exhibit “A”
Description for
MacGregor Townsite

Exhibit “B”
Bylaws

Exhibit “C”
Undeveloped Land

[LEGAL DESCRIPTION NEEDED FOR REMAINDER OF PROJECT]