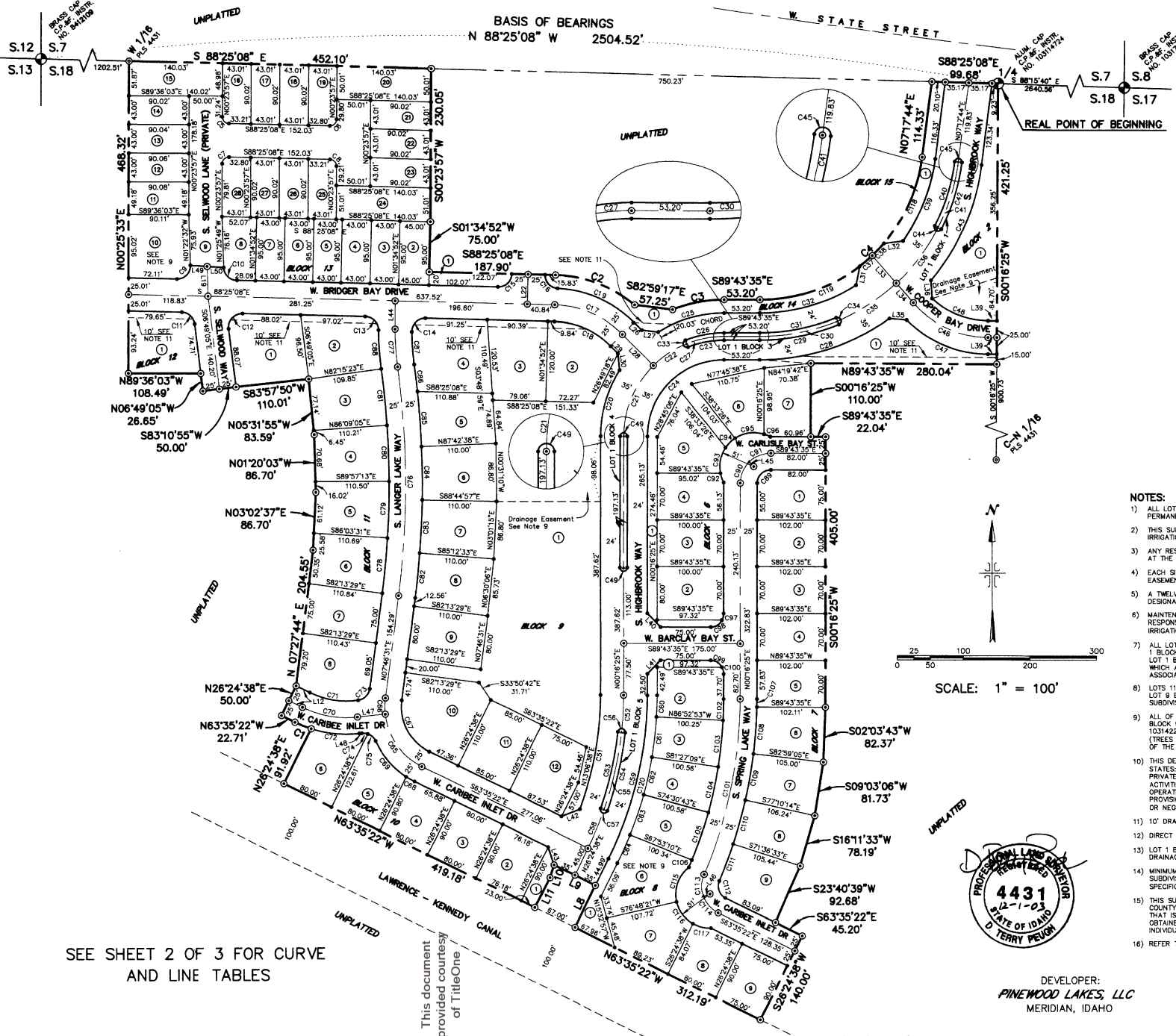


PLAT SHOWING

PINEWOOD LAKES SUBDIVISION PHASE 1



LOCATED IN THE NE ¼ OF THE NW ¼
OF SECTION 18, T.4N., R.1W., B.M.
STAR, ADA COUNTY, IDAHO

2003

LEGEND

- FOUND BRASS OR ALUMINUM CAP MONUMENT
- FOUND 1/2" IRON PIN, PLS 4431
- FOUND 5/8" IRON PIN WITH PLASTIC CAP, PLS 4431 UNLESS OTHERWISE NOTED
- SET 5/8" x 30" IRON PIN WITH PLASTIC CAP, PLS 4431
- SET 1/2" x 24" IRON PIN WITH PLASTIC CAP, PLS 4431
- ▲ CALCULATED POINT
- PROPERTY BOUNDARY
- SECTION LINE
- EASEMENT LINE
- CENTERLINE
- LOT LINE
- RIGHT-OF-WAY LINE
- ④ LOT NUMBER

NOTES:

- 1) ALL LOT LINES COMMON TO A PUBLIC OR PRIVATE RIGHT-OF-WAY LINE HAVE A TWELVE (12) FOOT WIDE PERMANENT PUBLIC UTILITIES, PROPERTY DRAINAGE, IRRIGATION AND STREET LIGHT EASEMENT.
- 2) THIS SUBDIVISION IS SUBJECT TO COMPLIANCE WITH THE IDAHO CODE SECTION 31-3805 CONCERNING IRRIGATION WATER.
- 3) ANY RESUBDIVISION OF THIS PLAT SHALL COMPLY WITH THE APPLICABLE ZONING REGULATIONS IN EFFECT AT THE TIME OF RESUBDIVISION.
- 4) EACH SIDE OF INTERIOR LOT LINES HAVE A SIX (6) FOOT WIDE IRRIGATION AND PROPERTY DRAINAGE EASEMENT, EXCEPT LOTS 2-8, AND LOTS 11-28, BLOCK 13.
- 5) A TWELVE (12) FOOT WIDE PROPERTY DRAINAGE, IRRIGATION & PUBLIC UTILITY EASEMENT IS HEREBY DESIGNATED ALONG THE REAR LOT LINES.
- 6) MAINTENANCE OF ANY IRRIGATION OR IRRIGATION DRAINAGE PIPE OR DITCH CROSSING A LOT IS THE RESPONSIBILITY OF THE LOT OWNER UNLESS SUCH RESPONSIBILITY IS ASSUMED BY AN IRRIGATION/DRAINAGE DISTRICT.
- 7) ALL LOTS IN THIS SUBDIVISION ARE SINGLE FAMILY RESIDENTIAL LOTS EXCEPT FOR LOT 1 BLOCK 1, LOT 1 BLOCK 2, LOT 1 BLOCK 3, LOT 1 BLOCK 4, LOT 1 BLOCK 5, LOT 1 BLOCK 6, LOT 1 BLOCK 7, LOT 1 BLOCK 8, LOT 1 BLOCK 9, LOT 1 BLOCK 10, LOT 1, 9, & 10 BLOCK 13, LOT 1 BLOCK 14, & LOT 1 BLOCK 15, WHICH ARE COMMON AREA LOTS TO BE OWNED AND MAINTAINED BY THE PINWOOD LAKES COMMUNITY ASSOCIATION.
- 8) LOTS 11-28 BLOCK 13 SHALL TAKE ACCESS FROM THE PRIVATE STREET AS SHOWN. MAINTENANCE FOR LOT 9 BLOCK 13 IS AS PROVIDED FOR IN THE COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THIS SUBDIVISION. INSTRUMENT NO. 103193482.
- 9) ALL OF LOT 8 BLOCK 8 AND LOT 10 BLOCK 13, AND PORTIONS OF LOT 1 BLOCK 2, AND LOT 1 BLOCK 9, ARE SUBJECT TO AN EXISTING ACID DRAINAGE EASEMENT AS SHOWN, INSTRUMENT NO. 103142267. SAID EASEMENT SHALL REMAIN FREE FROM ALL ENCROACHMENTS & OBSTRUCTIONS, (TREES & FENCES), WHICH MAY ADVERSELY AFFECT THE DRAINAGE OR OPERATION AND MAINTENANCE OF THE FACILITY.
- 10) THIS DEVELOPMENT RECOGNIZES SECTION 22-4503 OF IDAHO CODE, RIGHT TO FARM ACT, WHICH STATES: "NO AGRICULTURAL OPERATION OR APPURTENANCE TO IT SHALL BE OR BECOME A NUISANCE, PRIVATE OR PUBLIC, BY ANY CHANGED CONDITIONS IN OR ABOUT THE SURROUNDING NONAGRICULTURAL ACTIVITIES AFTER THE SAME HAS BEEN IN OPERATION FOR MORE THAN ONE (1) YEAR, WHEN THE OPERATION WAS NOT A NUISANCE AT THE TIME THE OPERATION BEGAN; PROVIDED, THAT THE PROVISIONS OF THIS SECTION SHALL NOT APPLY WHENEVER A NUISANCE RESULTS FROM THE IMPROPER OR NEGLIGENCE OF ANY AGRICULTURAL OPERATION OR APPURTENANCE TO IT."
- 11) 10' DRAINAGE DISTRICT #2 IRRIGATION & DRAINAGE/PIPELINE EASEMENT. INSTRUMENT NO. 103092156.
- 12) DIRECT LOT ACCESS TO S. HIGHBROOK WAY IS PROHIBITED UNLESS SPECIFICALLY APPROVED BY ACHD.
- 13) LOT 1 BLOCK 3, AND LOT 1 BLOCK 4 ARE SUBJECT TO A BLANKET PUBLIC UTILITY, IRRIGATION AND DRAINAGE EASEMENT.
- 14) MINIMUM BUILDING SETBACK LINES SHALL BE IN ACCORDANCE WITH THE APPLICABLE ZONING AND SUBDIVISION REGULATIONS AT THE TIME OF ISSUANCE OF INDIVIDUAL BUILDING PERMITS OR AS SPECIFICALLY APPROVED AND/OR REQUIRED, OR AS SHOWN ON THIS PLAT.
- 15) THIS SUBDIVISION IS LOCATED WITHIN ZONE AE AS SHOWN ON THE FRM PANEL 125 OF 875, ADA COUNTY, IDAHO AND INCORPORATED AREAS. A BUILDING PERMIT MAY NOT BE ISSUED FOR ANY LOT THAT IS LOCATED WITHIN THE MAPPED FLOODPLAIN UNTIL A FLOOD PLAN DEVELOPMENT PERMIT IS OBTAINED FOR THE INDIVIDUAL LOT. EACH LOT WITHIN THE MAPPED FLOODPLAIN MAY REQUIRE AN INDIVIDUAL FLOOD PLAN DEVELOPMENT PERMIT.
- 16) REFER TO RECORD OF SURVEY NO. 6132 FOR ADDITIONAL BOUNDARY INFORMATION.

SEE SHEET 2 OF 3 FOR CURVE
AND LINE TABLES

This document
provided courtesy
of TitleOne

DEVELOPER:
PINEWOOD LAKES, LLC
MERIDIAN, IDAHO



PINEWOOD LAKES SUBDIVISION PHASE 1

CERTIFICATE OF OWNERS

KNOW ALL MEN BY THESE PRESENTS: THAT PINEWOOD LAKES, L.L.C., AN IDAHO LIMITED LIABILITY COMPANY, IS THE OWNER OF THE PROPERTY DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LOCATED IN THE NE1/4 OF THE NW1/4 OF SECTION 18, T.4N., R.1W., B.M., ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE 1/4 CORNER COMMON TO SECTION 7 AND THE SAID SECTION 18, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 18 BEARS NORTH 89° 25'08" WEST, 2504.52 FEET; THENCE ALONG THE NORTH-SOUTH MID-SECTION LINE SOUTH 00°16'25" WEST, 421.25 FEET; THENCE DEPARTING SAID LINE NORTH 89° 43'35" WEST, 280.04 FEET; THENCE SOUTH 00°16'25" WEST, 110.00 FEET; THENCE SOUTH 89°43'35" EAST, 22.04 FEET; THENCE SOUTH 00°16'25" WEST, 409.00 FEET; THENCE SOUTH 2°03'43" WEST, 82.37 FEET; THENCE SOUTH 9°03'06" WEST, 81.73 FEET; THENCE SOUTH 16°11'33" WEST, 78.19 FEET; THENCE SOUTH 23° 40'36" WEST, 92.68 FEET; THENCE SOUTH 63°35'22" EAST, 45.20 FEET; THENCE SOUTH 26°24'38" WEST, 140.00 FEET; THENCE NORTH 63°35'22" WEST, 312.19 FEET; THENCE NORTH 26°24'38" EAST, 70.00 FEET; THENCE NORTH 63°35'22" WEST, 70.00 FEET; THENCE SOUTH 17°53'44" WEST, 20.26 FEET; THENCE SOUTH 26° 24'38" WEST, 49.96 FEET; THENCE NORTH 63°35'22" WEST, 419.18 FEET; THENCE NORTH 26°24'38" EAST, 91.92 FEET; THENCE 25.97 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 175.00 FEET, A CENTRAL ANGLE OF 8°30'15" AND A LONG CHORD BEARING NORTH 67°50'29" WEST, 25.95 FEET; THENCE NORTH 63°35'22" WEST, 22.71 FEET; THENCE NORTH 26°24'38" EAST, 50.00 FEET; THENCE NORTH 72°24'44" EAST, 204.55 FEET; THENCE NORTH 3°02'37" EAST, 86.70 FEET; THENCE NORTH 12°03'03" WEST, 86.70 FEET; THENCE NORTH 5°31'55" WEST, 83.59 FEET; THENCE SOUTH 83°59'50" WEST, 110.01 FEET; THENCE SOUTH 83°10'55" WEST, 50.00 FEET; THENCE NORTH 6°49'05" WEST, 26.65 FEET; THENCE NORTH 89°36'03" WEST, 108.49 FEET TO A POINT ON THE WEST BOUNDARY OF THE NE1/4 OF THE NW1/4; THENCE ALONG SAID BOUNDARY NORTH 00°25'33" EAST, 468.32 FEET TO THE WEST 1/16 CORNER COMMON TO SAID SECTIONS 7 AND 18; THENCE ALONG THE SECTION LINE SOUTH 88°25'08" EAST, 452.10 FEET; THENCE DEPARTING SAID LINE SOUTH 00°23'57" WEST, 230.05 FEET; THENCE SOUTH 1°34'52" WEST, 75.00 FEET; THENCE SOUTH 88°25'08" EAST, 187.90 FEET; THENCE 130.39 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 195.00 FEET, A CENTRAL ANGLE OF 38°18'42" AND A LONG CHORD BEARING SOUTH 69°15'47" EAST, 127.87 FEET; THENCE SOUTH 82°59'17" EAST, 87.25 FEET; THENCE 78.27 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 205.00 FEET, A CENTRAL ANGLE OF 22° 09'16" AND A LONG CHORD BEARING NORTH 79°11'47" EAST, 78.77 FEET; THENCE SOUTH 89°43'35" EAST, 53.20 FEET; THENCE 354.82 FEET ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 245.00 FEET, A CENTRAL ANGLE OF 62°58'41" AND A LONG CHORD BEARING NORTH 48°47'05" EAST, 324.81 FEET; THENCE NORTH 7°17'44" EAST, 114.33 FEET TO A POINT ON THE NORTH BOUNDARY OF SAID SECTION 18; THENCE SOUTH 88°25'08" EAST, 99.88 FEET TO THE POINT OF BEGINNING. CONTAINING 22.38 ACRES, MORE OR LESS.

IT IS THE INTENTION OF THE UNDERSIGNED TO HEREBY INCLUDE THE ABOVE DESCRIBED PROPERTY IN THIS PLAT AND TO DEDICATE TO THE PUBLIC THE PUBLIC STREETS AS SHOWN ON THIS PLAT. THE EASEMENTS AND PRIVATE ROADS ARE NOT DEDICATED TO THE PUBLIC. HOWEVER, THE RIGHT TO USE SAID EASEMENTS IS HEREBY PERPETUALLY RESERVED FOR PUBLIC UTILITIES AND SUCH OTHER USES AS DESIGNATED WITHIN THIS PLAT, AND NO PERMANENT STRUCTURES ARE TO BE ERRECTED WITHIN THE LINES OF SAID EASEMENTS. ALL LOTS WITHIN THIS PLAT WILL BE ELIGIBLE TO RECEIVE WATER SERVICE FROM AN EXISTING STAR SEWER AND WATER DISTRICT WATER SYSTEM AND SAID DISTRICT HAS AGREED IN WRITING TO SERVE ALL THE LOTS IN THIS SUBDIVISION.

PINEWOOD LAKES, L.L.C.

PINEWOOD LAKES, L.L.C.

James W. Durst
BLACKHAWK INVESTMENTS, L.L.C.
A-NEW MEXICO LIMITED LIABILITY COMPANY
JAMES W. DURST, MANAGER/MEMBER

Carl Keith Cope
CAL KEITH COPE - MEMBER

ACKNOWLEDGEMENT

STATE OF Idaho } S.S.
COUNTY OF Ada }

ON THIS 16 DAY OF June, 2003, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED JAMES W. DURST, KNOWN OR IDENTIFIED TO ME TO BE THE MANAGER OF BLACKHAWK INVESTMENTS, L.L.C., A MEMBER OF PINEWOOD LAKES, L.L.C. THE PERSON THAT EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED SUCH INSTRUMENT FOR AND ON BEHALF OF SAID LIMITED LIABILITY COMPANY AND THAT SAID LIMITED LIABILITY COMPANY EXECUTED THE SAME IN SAID LIMITED LIABILITY COMPANY'S NAME.

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

August 23, 2008
MY COMMISSION EXPIRES

Tanya Colby
NOTARY PUBLIC FOR IDAHO
RESIDING IN meridian

ACKNOWLEDGEMENT

STATE OF IDAHO } S.S.
COUNTY OF ADA }

ON THIS 16 DAY OF June, 2003, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED CAL KEITH COPE, KNOWN OR IDENTIFIED TO ME TO BE A MEMBER OF PINEWOOD LAKES, L.L.C. AN IDAHO LIMITED LIABILITY COMPANY, THE PERSONS WHO EXECUTED THIS INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME ON BEHALF OF SAID LIMITED LIABILITY COMPANY.

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

August 23, 2008
MY BOND EXPIRES

Tanya Colby
NOTARY PUBLIC FOR IDAHO
RESIDING IN meridian IDAHO

CERTIFICATE OF THE COUNTY TREASURER

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

2-3-03
DATE

Sydney Hoshorn by M. Everett
COUNTY TREASURER



CERTIFICATE OF SURVEYOR

I, D. TERRY PEUGH, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR LICENSED BY THE STATE OF IDAHO, AND THAT THIS PLAT AS DESCRIBED IN THE "CERTIFICATE OF OWNERS" WAS DRAWN FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY DIRECT SUPERVISION AND ACCURATELY REPRESENTS THE POINTS PLATTED THEREON, AND IS IN CONFORMITY WITH THE STATE OF IDAHO CODE RELATING TO PLATS AND SURVEYS.

D. TERRY PEUGH, P.L.S. 6-5-03 IDAHO NO. 4431

APPROVAL OF ADA COUNTY HIGHWAY DISTRICT

THE FOREGOING PLAT WAS ACCEPTED AND APPROVED BY THE BOARD OF ADA COUNTY HIGHWAY DISTRICT COMMISSIONERS ON THE 10th DAY OF September, 2003.

Doreen R. Hulce
CHAIRMAN ACHD

APPROVAL OF CENTRAL DISTRICT HEALTH DEPARTMENT

SANITARY RESTRICTIONS OF THIS PLAT ARE HEREBY REMOVED ACCORDING TO THE LETTER TO BE READ ON FILE WITH THE COUNTY RECORDER OR HIS AGENT LISTING THE CONDITIONS OF APPROVAL.



7/30/03
CENTRAL DISTRICT HEALTH DEPARTMENT

APPROVAL OF CITY ENGINEER

I, THE UNDERSIGNED, CITY ENGINEER IN AND FOR THE CITY OF STAR, ADA COUNTY, IDAHO, HEREBY APPROVE THIS PLAT.

10/10/03
CITY ENGINEER

APPROVAL OF CITY COUNCIL

I, THE UNDERSIGNED, CITY CLERK IN AND FOR THE CITY OF STAR, ADA COUNTY, IDAHO, DO HEREBY CERTIFY THAT AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE 3rd DAY OF June, 2003, THIS PLAT WAS DULY ACCEPTED AND APPROVED.



Christine Ward
CITY CLERK, STAR, IDAHO

CERTIFICATE OF COUNTY SURVEYOR

I, THE UNDERSIGNED, COUNTY SURVEYOR, IN AND FOR ADA COUNTY, IDAHO, DO HEREBY CERTIFY THAT I HAVE CHECKED THIS PLAT AND THAT IT COMPLIES WITH THE STATE OF IDAHO CODE RELATING TO PLATS AND SURVEYS.

John E. Pevita
COUNTY SURVEYOR 12/2/03

COUNTY RECORDER'S CERTIFICATE

STATE OF IDAHO } S.S.
COUNTY OF ADA }

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF Menger Engineering, Inc. AT 53 MINUTES PAST 4 O'CLOCK P.M., ON THIS 3rd DAY OF June, 2003, IN BOOK 29 OF PLATS AT PAGES 2974-2976. INSTRUMENT NO. 103200817

Deputy
Fee: \$16.00

J. David Navarro
EX-OFFICIO RECORDER

After Recording
Return to:

JoAnn C. Butler
Spink Butler Clapp, LLP
P.O. Box 639
Boise, ID 83701

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 01/14/04 04:25 PM
DEPUTY Bonnie Oberbillig
RECORDED - REQUEST OF
Transaction Title
AMOUNT 18.00

6



104004609

FOR RECORDING INFORMATION

FIRST SUPPLEMENT
TO
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PINEWOOD LAKES

This First Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes (this "First Supplement") is made this 17 day of January, 2004, by Pinewood Lakes, LLC, an Idaho limited liability company ("Grantor") and Pinewood Lakes Community Association, Inc., an Idaho nonprofit corporation ("Association").

RECITALS

A. Grantor is the owner of, or has an interest in, certain real property located in Ada County, Idaho, more commonly known as Pinewood Lakes, and more particularly described in that certain Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes, which Grantor caused to be recorded in Ada County, Idaho on November 17, 2003 as Instrument Number 103193482 (the "Property") (the "Declaration").

B. Grantor has caused to be recorded that certain plat identified as Pinewood Lakes Subdivision No. 1 as filed in Book 87 of Plats, Pages 9974 - 9976, in the records of Ada County, Idaho (the "Subdivision No. 1 Plat").

C. The Association was formed on May 7, 2003 and has an interest in the Property.

D. Pursuant to the Declaration, Grantor has the right to supplement the Declaration.

E. Grantor now desires to supplement the Declaration as set forth below, and declare that certain real property comprising a portion of Pinewood Lakes, which portion is legally described on **Exhibit A** attached hereto and made a part hereof (the "Patio Homes Property"), is subject to the Declaration as supplemented by this First Supplement.

AGREEMENT

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

parcel or portion thereof; shall inure to the benefit of every lot, parcel or portion of the Patio Homes Property and any interest therein; and shall inure to the benefit of and be binding upon Grantor, Grantor's successors in interest, the Association, and each grantee or Owner and such grantee's or Owner's respective successors in interest, and may be enforced by Grantor, by any Owner or such Owner's successors in interest, or by the Association.

1. **Private Road.** Lot 9, Block 13, as depicted on the Subdivision No. 1 Plat, is a private road owned, operated and maintained by the Association as provided further in the Declaration. The Association shall have the right to transfer such private road to an appropriate public highway district conditioned only upon reasonable assurances by such public highway district that such road will be owned, operated and maintained in a manner that will: provide access to and from such road to Owners of the Property on a continuing basis; provide a quality of operation and maintenance comparable to the Community-Wide Standard; and meet all applicable governmental laws, ordinances and regulations. For purposes of this Section 1, Grantor is hereby appointed and made attorney-in-fact for the Association, with full power of attorney to consummate any such transfer of such private road.

2. **Setbacks.** The setback of all single-family residential structures shall comply with the Subdivision No. 1 Plat and shall include setbacks of: ten (10) feet from the rear lot line of a Building Lot; ten (10) feet from the front lot line of a Building Lot; zero (0) feet from all interior side lot lines; and ten (10) feet from a street-side lot line.

3. **Additional Assessment for Patio Homes.** The calculation of Regular Assessments shall include an additional amount for: the cost of landscape maintenance associated with each individual Building Lot that compromises the Patio Homes Property; the cost to maintain the private road described in Section 1 above; and one-half of the cost of maintenance of the fence contemplated to be constructed by Grantor or Grantor's designee along the easterly boundary of the Patio Homes Property. The Board of the Association shall compute and levy the amount of such additional amount in the same manner as the calculation of the Regular Assessment described in Section 7.6.2 of the Declaration.

4. **Minimum Square Footage.** The third full paragraph of Section 4.1 of the Declaration is hereby deleted in its entirety and replaced as follows:

Each one-story single-family dwelling unit or structure shall have a minimum of eighteen hundred (1,800) square feet of livable space, and each two-story single-family dwelling unit or structure shall have a minimum of one thousand (1,000) square feet of livable space on the ground floor. Livable space shall not include basements, garages, car ports, patios, breeze ways, storage rooms, porches or similar structures. Townhomes or Patio Homes shall have minimum square footage requirements as set forth by the Grantor or the Design Committee for the Phase containing such Townhome or Patio Home. Corner lots identified by the Grantor for the Phase containing such corner lots shall be restricted to one and one-half stories.

5. **Additional Design Guidelines.** In addition to all general and specific restrictions outlined in Section 4 of the Declaration, the following restrictions shall apply to all Building Lots that comprise the Patio Homes Property:

5.1 **Minimum Square Footage.** All single-story residential structures shall have a minimum of 1,280 square feet of finished space, exclusive of the garage. All two-story residential structures shall have a minimum of 1,000 square feet of finished space on the first floor, exclusive of the garage.

5.2 **Two-Story Homes.** No two-story residential structure shall be constructed on Building Lot 8, Block 13 or Building Lot 28, Block 13 of the Patio Homes Property.

5.3 **Fencing.** All fencing shall be constructed with vinyl or wrought iron materials and must be approved by the Design Committee prior to construction.

- 5.4 **Colors.** All exterior coloring of any Improvement on all Building Lots that comprise the Patio Homes Property shall be selected from an approved list provided by the Design Committee.
- 5.5 **Roofing.** All roofs shall be constructed of 30-year architectural asphalt in Pabco Weathered Wood color.
- 5.6 **Landscaping.** All Building Lots that comprise the Patio Homes Property shall be required to have an automated sprinkling system and the Owners of each such Building Lot shall be required to plant one (1), two-inch (2") caliper tree in the front yard of such Building Lot.
- 5.7 **Security Lighting.** Each Owner shall be required to install a photo-sensor activated lighting system attached to the garage of each such Owner's residential structure.
- 5.8 **Storage Facilities.** Detached storage sheds shall be allowed on the Building Lots that comprise the Patio Homes Property. Any such storage sheds shall be constructed of, and roofed with, the same materials and with similar colors and designs as the residential structure on the applicable Building Lot. Any such storage shed shall be placed on a concrete pad in a location approved by the Design Committee and shall not be allowed to encroach in any required set back area. In no event shall any such storage shed be located closer than five (5) feet from the boundary of a Building Lot. Metal storage sheds and other similar structures are prohibited.
- 5.9 **Storage of Recreational Vehicles/Equipment.** All vehicles, as further defined in 4.9 of the Declaration, must be stored either totally within the garage on any Building Lot or stored outside of the Patio Homes Property.

5. Capitalized terms used but not defined herein shall have the same meaning as found in the Declaration.

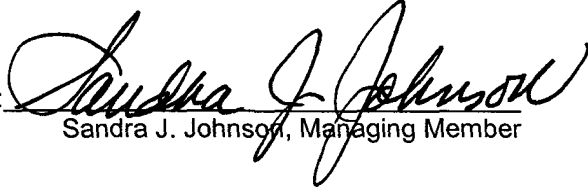
6. Upon the recording hereof, the terms and provisions set forth in the Declaration recorded as Instrument No. 103193482, shall be amended and supplemented by the terms hereof. If there is any conflict between the terms of this First Supplement and/or the Declaration, this First Supplement shall control.

IN WITNESS WHEREOF, Grantor and the Association have set their hand the day and year first above written.

GRANTOR:

PINEWOOD LAKES, LLC, an Idaho
limited liability company

By: DEVELOPMENT MANAGEMENT SERVICES, LLC,
an Idaho limited liability company, its Member

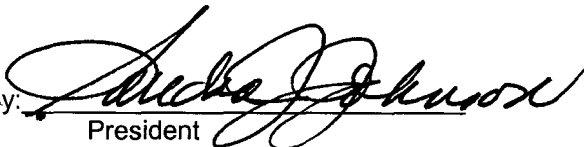
By: 
Sandra J. Johnson, Managing Member

By: BLACKHAWK INVESTMENTS, LLC,
a New Mexico limited liability company, its Member

By: 
James W. Durst, Manager

ASSOCIATION:

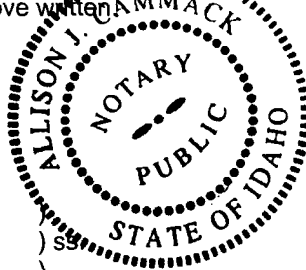
PINEWOOD LAKES COMMUNITY ASSOCIATION, INC.,
an Idaho nonprofit corporation

By: 
President

STATE OF IDAHO)
) ss.
County of Ada)

On this 14 day of January, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared SANDRA J. JOHNSON, known or identified to me to be the Managing Member of DEVELOPMENT MANAGEMENT SERVICES, LLC, the limited liability company that executed the instrument or the person who executed the instrument on behalf of PINWOOD LAKES, LLC, said limited liability company, and acknowledged to me that such company executed the same.

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

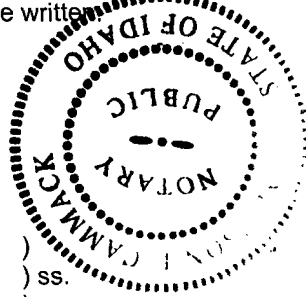


Allison J. Cammack
Notary Public for State of Idaho
Residing at Nampa, ID
My commission expires: 12/22/09

STATE OF IDAHO)
) ss.
County of Ada)

On this 14 day of January, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared JAMES W. DURST, known or identified to me to be the Manager of BLACKHAWK INVESTMENTS, LLC, the limited liability company that executed the instrument or the person who executed the instrument on behalf of PINWOOD LAKES, LLC, and acknowledged to me that such company executed the same.

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

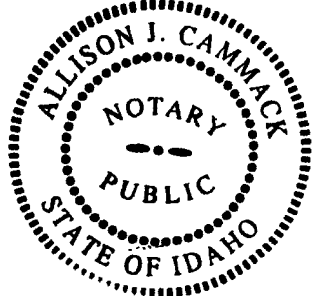


Allison J. Cammack
Notary Public for State of Idaho
Residing at Nampa ID
My commission expires: 12/22/09

STATE OF IDAHO)
) ss.
County of Ada)

On this 14th day of January, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared Sandra J. Johnson, known or identified to me to be the President of PINWOOD LAKES COMMUNITY ASSOCIATION, INC., the nonprofit corporation that executed the instrument or the person who executed the instrument on behalf of said nonprofit corporation, and acknowledged to me that such nonprofit corporation executed the same.

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



Allison J. Cammack
Notary Public for State of ID
Residing at Nampa ID
My commission expires: 12/22/09

EXHIBIT A

LEGAL DESCRIPTIONS

Legal description of the Patio Homes Building Lots

Lots 2, 3, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, Block 13 of Pinewood Lakes Subdivision No. 1 as shown on the Official Plat thereof as filed in Book 87 of Plats at Pages 9974-9976 and recorded as Instrument Number 103200813, Records of Ada County, Idaho.

Legal Description of the Private Street

Lot 9, Block 13 of Pinewood Lakes Subdivision No. 1 as shown on the Official Plat thereof as filed in Book 87 of Plats at Pages 9974-9976 and recorded as Instrument Number 103200813, Records of Ada County, Idaho.

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 11/02/05 03:30 PM
DEPUTY Neava Haney
RECORDED - REQUEST OF
Spink Butler

AMOUNT 177.00 59



**AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PINWOOD LAKES**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PINWOOD LAKES (the "**Declaration**") is made effective as of the 31st day of October, 2005, by Pinewood Lakes, LLC, an Idaho limited liability company ("**Grantor**" and "**Class B Member**"); Pinewood Lakes Community Association, Inc., an Idaho non-profit corporation ("**Master Association**").

Upon the recording of this Declaration, the following document shall be void and of **no** further force or effect:

Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes dated September 23, 2003, and recorded November 17, 1993, as Instrument No. 103193482, in the official records of Ada County, Idaho.

The following documents shall continue to be in full force and effect:

First Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes, dated January 14, 2004, recorded in the real property records of Ada County, Idaho on January 14, 2004, as Instrument No. 104004609.

Second Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes Subdivision, dated July 27, 2005, recorded in the real property records of Ada County, Idaho on July 27, 2005, as Instrument No. 105102692.

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EXHIBITS

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EXHIBIT B: HOMEBUILDERS AND HOMEOWNERS DRAINAGE AND LANDSCAPE
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EXHIBIT C: DECLARATION OF FLOOD WATER STORAGE

ARTICLE I: RECITALS

1.1 Property Covered. The property potentially subject to this Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes is the property legally described in **Exhibit A**, attached hereto and made a part hereof (sometimes referred to herein as "**Pinewood Lakes**"). Grantor intends to develop the Property in several development Phases, defined below. Each Phase shall be subject to this Declaration, as may be amended or supplemented from time to time, and all property made subject to this Declaration shall be referred to as the "**Property**." Unless and until a Supplemental Declaration is recorded with the Ada County Recorder's Office, no property located within Pinewood Lakes or otherwise shall be subject to this Declaration. Each Owner, by accepting a deed to any portion of the Property, acknowledges and agrees that Grantor is under no obligation to subject any portion of Pinewood Lakes to this Declaration.

1.2 Residential and Commercial Development. Pinewood Lakes is presently planned as a residential and commercial development that Grantor currently intends to develop in accordance with existing development approvals obtained by Grantor from Ada County and/or the City of Star, or any other development plan(s) for which Grantor may from time to time obtain approval from Ada County and/or the City of Star (the "**Development Plan**"). The Property may be developed for single-family residential homes (including, without limitation, single-family homes, townhomes/patio homes), common area and commercial uses, which commercial uses may include Assisted Living facilities. The Property may contain parcels of common area including, without limitation, streams, ponds and canals, public and/or private open space, park areas, landscaping, wildlife habitat, recreational facilities, private streets, drives, and other amenities and facilities. Any development plans or schemes for the Property in existence prior to or following the effective date of this Declaration are subject to change at any time by Grantor, and impose no obligation on Grantor as to how the Property is to be developed or improved.

1.3 Purpose of Declaration. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively "**Restrictions**") that will apply to the entire development and use of all portions of the Property. The Restrictions are designed to preserve the Property's value, desirability, attractiveness, to ensure a well integrated, high quality development, and to guarantee adequate maintenance of the Common Area and the Improvements located thereon in a cost effective and administratively efficient manner.

ARTICLE II: DECLARATION

2.1 Declaration. Grantor hereby declares that the Property, and each lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms and Restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms and Restrictions set forth herein shall run with the land constituting the Property, and with each estate therein, and shall be binding upon any Person having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; shall inure to the benefit of every lot, parcel or portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon Grantor, Grantor's successors in interest and each grantee or Owner and such grantee's or Owner's respective successors in interest, and may be enforced by Grantor, any grantee or grantee's successors, any Owner or Owner's successors, or by the Master Association or any Local Association. In the event of any conflict between this Declaration and any other of the Project Documents, defined below, this Declaration shall control.

Notwithstanding the foregoing, until one hundred percent (100%) of all the Building Lots in the Property and Pinewood Lakes are transferred by Grantor, no provision of this Declaration shall be construed as to prevent or limit Grantor's right to complete development of the Property and Pinewood Lakes, including any subdivision or resubdivision of the Property and Pinewood Lakes, and to construct improvements thereon, nor Grantor's right to use and to maintain model homes, construction, sales or

leasing offices or similar facilities on any portion of the Property and Pinewood Lakes, including the Common Area, recreational facilities, and/or any public and/or private right-of-way, nor Grantor's right to post signs incidental to construction, sales and/or leasing. Grantor and authorized marketing agents and builders shall have license for access to and use of such location and facilities. Pinewood Lakes is planned to have several Phases and future amenities. Such plans, however, are subject to change. Grantor has no duty or obligation to develop the Property and Pinewood Lakes in any specific manner or with any particular use, regardless of any drawings, depictions or presently proposed plans.

2.2 **No Recordation.** No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Grantor's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by Grantor. This Section 2.2 may not be amended without the written consent of Grantor. The rights contained in this Section 2.2 shall terminate upon the earlier of: (1) twenty (20) years from the date this Declaration is recorded; or (2) upon recording by Grantor of a written statement that all construction, sales and/or leasing activity has ceased.

ARTICLE III: DEFINITIONS

3.1 **"Articles"** shall mean the Articles of Incorporation of an Association or other organizational or charter documents of an Association.

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

3.3 **"Assisted Living"** shall mean senior housing that provides individual apartments, which may or may not have a kitchenette, and which offer 24 hour on-site staff, congregate dining, and activity programs. Limited nursing services may be provided.

3.4 **"Association"** shall mean the Master Association and/or a Local Association, whichever is appropriate in the context.

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

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

3.7 **"Building Envelope"** shall mean the area within a Building Lot where a residential structure and accessory structures may be located, always subject to the prior written approval of the Design Committee. Building Envelopes, if any, shall be designated by Grantor by describing such an area on a recorded Plat, reserving Building Envelopes in a deed or other instrument, or by designating Building Envelopes as such in this Declaration, any Supplemental Declaration or the Design Guidelines. If a Building Envelope is not so designated within a Building Lot, then the Building Envelope shall be that portion of the Building Lot located inside the legal setback areas.

3.8 **"Building Lot"** shall mean one or more lots within a Phase as specified or shown on any Plat and/or by Supplemental Declaration, upon which Improvements may be constructed. The term "Building Lot" shall include single-family residential lots, but shall not include the Common Area.

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

3.10 "**Common Area**" shall mean any or all parcels of Pinewood Lakes Common Area or Local Common Area, whichever is appropriate in the context, and shall include, without limitation, all such parcels that are designated as private streets or drives, parking areas or drives, common open space, pastures, wildlife habitat, common landscaped areas, storage facilities, recreational facilities, other amenities and facilities, and Waterways. Common Area may be established from time to time by Grantor on any portion of the Property by describing such area on a recorded Plat, by granting or reserving Common Area in a deed or other instrument, or by designating Common Area as such in this Declaration or in any Supplemental Declaration. The Common Area may include easement and/or license rights.

3.11 "**Community-Wide Standard**" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Property and Pinewood Lakes. Such standard may be more specifically determined by the Board and/or the Design Committee.

3.12 "**Declaration**" shall mean this Declaration as it may be amended from time to time.

3.13 "**Design Committee**" shall mean the Design Committee created by Grantor pursuant to Article XI hereof.

3.14 "**Design Guidelines**" shall mean the design guidelines and rules promulgated, published, amended and supplemented from time to time pursuant to Article XI.

3.15 "**First Mortgage**" shall mean any Mortgage which is not subordinate to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

3.16 "**Grantor**" shall mean Pinewood Lakes, LLC, an Idaho limited liability company, or its successor in interest, or any Person or entity to whom the rights under this Declaration are expressly transferred, in whole or in part, other than a transfer to individual Building Lot owners, by Pinewood Lakes, LLC, or its successors.

3.17 "**Improvements**" shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed, placed upon or allowed on, under or over any portion of the Property, including, without limitation, residential structures, accessory structures, fences, streets, drives, driveways, parking areas, sidewalks, bicycle paths, curbs, landscaping, walls, hedges, plantings, trees, wildlife habitat improvements, living and/or dead vegetation, rocks, signs, lights, mail boxes, electrical lines, pipes, pumps, ditches, Waterways, recreational facilities, grading, road construction, utility improvements, removal of trees and other vegetation, and any new exterior construction or exterior improvement which may not be included in the foregoing. Improvement(s) includes both original improvements existing on the Property on the date hereof and all later changes and Improvements.

3.18 "**Limited Assessment**" shall mean a charge against a particular Owner and such Owner's Building Lot, directly attributable to the Owner, equal to the cost incurred by the Master Association or Local Association for corrective action performed pursuant to the provisions of this Declaration or any Supplemental Declaration, including, without limitation, damage to any Common Area, or the failure of an Owner to keep such Owner's Building Lot and/or Improvements in proper repair, and including interest thereon as provided in this Declaration and/or a Supplemental Declaration.

3.19 "**Local Association**" shall mean any profit or not-for-profit Idaho corporation or unincorporated association, or the successors of any of them, organized and established pursuant to the terms of this Declaration or a Supplemental Declaration by Grantor.

3.20 "**Local Association Board**" shall mean the duly elected and qualified Board of Directors, or other governing board or individual, if applicable, of a Local Association.

3.21 "**Local Common Area**" shall mean all real property in which a Local Association holds an interest or which is held or maintained for the mutual use and benefit of such Local Association and its Members. Local Common Area may be established from time to time by Grantor on any portion of the Property by describing such an area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designating it as such in this Declaration or in any Supplemental Declaration. Local Common Area may include easement and/or license rights.

3.22 "**Master Association**" shall mean the Idaho profit or non-profit corporation, its successors and assigns, established by Grantor to exercise the powers and to carry out the duties set forth in this Declaration or any Supplemental Declaration. Grantor shall have the power, in its discretion, to name the Master Association the "Pinewood Lakes Community Association, Inc.", or any similar name which fairly reflects its purpose.

3.23 "**Member**" shall mean each person or entity holding a membership in the Master Association. Where specific reference or the context so indicates, it shall also mean persons or entities holding membership in a Local Association.

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

3.25 "**Occupant**" shall mean any resident or occupant of a Building Lot other than the Owner, including, without limitation, family members, guests, invitees and/or tenants.

3.26 "**Owner**" shall mean the person or other legal entity, including Grantor, holding fee simple interest of record to a Building Lot which is a part of the Property, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation.

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

3.28 "**Phase**" shall mean a defined portion of the Property within which the contemplated development involves a common use or compatible uses, and which may have been designed as a Phase by recorded Supplemental Declaration. Each Phase shall contain one or more Building Lots, and may be managed to the extent permitted herein by a Local Association.

3.29 "**Pinewood Lakes**" shall mean the Property.

3.30 "**Pinewood Lakes Common Area**" shall mean all real property in which the Master Association holds an interest or which is held or maintained, permanently or temporarily, for the common use, enjoyment and benefit of the entire Pinewood Lakes and each Owner therein. Pinewood Lakes Common Area may be established from time to time by Grantor on any portion of the Property by describing it on a plat, by granting or reserving it in a deed or other instrument, or by designating it pursuant to this Declaration or any Supplemental Declaration. Pinewood Lakes Common Area is to be distinguished from Local Common Area, which may or may not allow entry and use by those Owners who are not Members of a Local Association or who are not Owners within a particular Phase. Pinewood Lakes Common Area may include easement and/or license rights.

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

3.32 "**Project Documents**" shall mean the basic documents creating and governing the Property including, without limitation, this Declaration, any Supplemental Declarations, Articles of Incorporation and Bylaws of the Association, the Association Rules, the Plat, the Design Guidelines and any other procedures, rules, regulations or policies adopted under such documents by the Association, the Design Committee and/or the Modifications Committee.

3.33 "**Property**" shall mean those portions of the Property described on **Exhibit A** attached hereto and incorporated herein by this reference, including each lot, parcel and portion thereof and interest therein, including all water rights associated with or appurtenant to such property.

3.34 "**Regular Assessment**" shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Areas and all Improvements located thereon, and the other costs of an Association which is to be levied against the Property of and paid by each Owner to the Master Association, or applicable Local Association, pursuant to the terms hereof or the terms of this Declaration or a Supplemental Declaration.

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

3.36 "**Supplemental Declaration**" shall mean any supplemental declaration including additional covenants, conditions and restrictions that might be adopted with respect to any portion of the Property.

3.37 "**Townhomes/Patio Homes**" shall mean any development approach in which Building Lots are reduced in size and/or sited relatively closer together in clusters as compared to other Building Lots in the Property.

3.38 "**Waterway**" shall mean any surface water amenity, including, without limitation, any lake, pond, channel, slough, stream, or reservoir, natural or artificial, which is located on the Property and which is included within or managed as Common Area.

ARTICLE IV: GENERAL AND SPECIFIC RESTRICTIONS

4.1 **Improvements – Generally.** All improvements are to be designed, constructed and used in such a manner as to promote compatibility between the types of use contemplated by this Declaration and to maintain the Community-Wide Standard. Specific design and construction guidelines are contained in the Design Guidelines. The Design Guidelines and the general instructions set forth in this Declaration shall govern the right of a Person or Owner, excluding Grantor, to construct, reconstruct, refinish, remove, add, alter or maintain any Improvement upon, under or above the Property, and to make or create any excavation or fill on the Property, or to make any change in the natural or existing surface contour or drainage, or install any utility line or conduit on, under or above the Property, including, without limitation, any Building Lot. All Improvements by any Owner, excluding Grantor, must be pre-approved in writing by the Design Committee or Modifications Committee or their designate, as applicable, prior to such Owner's construction or reconstruction.

All Building Lots, other than the Building Lot(s) used for Common Area or utility facilities and services, shall be used exclusively for and/or in connection with single-family residential or commercial purposes. No Building Lot, other than the Building Lot(s) used for Common Area commercial or utility facilities and services, shall be improved except with residential structures and accessory structures as permitted under the Design Guidelines. This Declaration is not intended to serve as authority for the Design Committee or Modifications Committee or their designate, as applicable, to control the interior layout or design of residential structures except to the extent incidentally necessitated by use, size and height restrictions. This Declaration is intended to serve as authority for the Design Committee or Modifications Committee or their designate, as applicable, to use its judgment to see that all Improvements conform and harmonize as to external design, quality and type of construction, architectural character, materials, color, location on the Property, height, grade and finished ground elevation, natural conditions, landscaping, and all aesthetic considerations as set forth in this Declaration and in the Design Guidelines.

Each one-story single-family dwelling unit or structure shall have a minimum of eighteen hundred (1,800) square feet of livable space, and each two-story single-family dwelling unit or structure shall have a minimum of one thousand (1,000) square feet of livable space on the ground floor. Livable space shall not include basements, garages, car ports, patios, breeze ways, storage rooms, porches or similar structures. Townhomes or Patio Homes shall have minimum square footage requirements as set forth by the Grantor or the Design Committee for the Phase containing such Townhome or Patio Home. Corner lots identified by the Grantor for the Phase containing such corner lots shall be restricted to one and one-half stories.

4.1.1 Design Committee Review. No improvements which will be visible above ground or which will ultimately affect the visibility of any above ground Improvement shall be built, erected, placed or materially altered on or removed from the Property unless and until the building plans, specifications, and plot plan have been reviewed in advance by the Design Committee or Modifications Committee or their designate, as applicable, and the same have been approved in writing. The review and approval or disapproval may be based upon the following factors: design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color, materials, including mandatory roofing materials, physical or aesthetic impacts on other properties, including Common Areas, artistic conformity to the terrain and the other Improvements on the Property, and any and all other factors in connection with the Community-Wide Standard that the Design Committee or Modifications Committee or their designate, as applicable, in their reasonable discretion, deem relevant.

4.1.2 Setbacks and Heights. No residential or other structure shall be placed nearer to the Building Lot lines or built higher than permitted by the Plat and/or the Supplemental Declaration for the Phase in which the Building Lot is located, by any applicable zoning restriction, by any conditional use permit, or by a building envelope designed either by Grantor or the Design Committee, whichever is more restrictive.

4.1.3 Accessory Structures. Detached garages shall be allowed if in conformity with the provisions of this Declaration, and as approved by the Design Committee. No detached storage sheds shall be allowed on any residentially-improved Building Lot. Garages, storage sheds attached to the residential structure, patio covers, and detached patio covers, shall be constructed of, and roofed with, the same materials and with similar colors and design, as the residential structure on the applicable Building Lot. No playhouses, playground equipment, pools, pool slides, diving boards, hot tubs, spas, or similar items shall extend higher than five (5) feet above the finished graded surface of the Building Lot upon which such item(s) are located unless specifically approved by the Design Committee or Modifications Committee or their designate, as applicable. Basketball courts, backboards, or portable basketball devices shall be allowed in the back yard or side yard of any Building Lot, provided that such courts, backboards or devices do not promote noise or other nuisance that is offensive or detrimental to other property in the vicinity of the Building Lot or offensive or detrimental to the occupants of such other property

4.1.4 Driveways. All access driveways shall have a wearing surface of asphalt, concrete, or other hard surface materials, and shall be properly graded to assure proper drainage. No driveway shall be wider than the garage.

4.1.5 Buoys, Docks and Piers. No buoy, pier, dock, jetty, bridge or similar structure shall be placed or extended into any Waterway beyond the boundary of a Building Lot unless so designated by Grantor as part of the overall plan for Pinewood Lakes.

4.1.6 Mailboxes. All mailboxes shall be of consistent design, material and coloration and shall be located on or adjoining Building Lot lines at places designated by Grantor or the Design Committee.

4.1.7 Fencing. No fence, hedge or boundary wall situated anywhere upon a Building Lot shall have a height greater than five (5) feet above the finished graded surface of the Building Lot or Common Area upon which such fence, hedge or boundary wall is situated. Except that any fence constructed immediately adjacent to a swimming pool for the purpose of safety may be at a height required by applicable government agencies and/or homeowner liability insurer(s). Any fence or boundary wall constructed on or near the lot line common to one or more Building Lots shall be constructed as a "good neighbor" fence or wall. No fence shall be constructed so as to extend toward the front of the Building Lot past the front plane of the residential structure constructed thereon (except to allow fencing along driveways to a point where privacy gates may be installed as approved by the Design Committee or Modifications Committee, as applicable), or closer than ten (10) feet to any side Building Lot line of a corner of a Building Lot adjacent to a dedicated street. No fence, hedge or boundary wall which obstructs site lines at an elevation between four (4) and eight (8) feet above the street shall be placed or permitted to remain on any corner lot. All fencing and boundary walls constructed on any Building Lot shall be compatible style and material to that other fencing constructed adjacent to or abutting Common Areas, public and private streets, and shall otherwise be as approved by the Design Committee or Modifications Committee, as applicable, and/or as stipulated in the Design Guidelines.

4.1.8 Lighting. Exterior lighting, including flood lighting, shall be part of the architectural concept of the Improvements on a Building Lot. Fixtures, standards and all exposed accessories shall be harmonious with building design, and shall be as approved by the Design Committee or Modifications Committee, as applicable. Lighting shall be restrained in design, and excessive brightness shall be avoided.

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

4.3 Landscaping. The Design Committee shall adopt guidelines regulating landscaping permitted and required. In the event that any Owner shall fail to install and maintain landscaping in conformance with such guidelines, or shall allow such Owner's landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Association, upon thirty (30) days' prior written notice to such Owner, and such Owner shall promptly reimburse the Association for the cost thereof. Such costs shall be Limited Assessment and shall create a lien enforceable in the same manner as other Assessments as set forth herein. The Owner of the offending Building Lot shall be personally liable, and such Owner's Building Lot may be subject to a lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due, if any. Each Owner shall pay all amounts due for such work within (10) days after receipt of written demand therefor, or the amounts may, at the option of the Board, be added to the amounts payable by such Owner as Regular Assessments. In designing and installing landscaping, each Owner should refer to and be guided by **Exhibit B** (Homebuilders and Homeowners Drainage and Landscape Recommendations), attached hereto and made a part hereof.

4.4 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, including Common Area or Building Lots, and no odor shall be permitted to arise from any portion of the Property so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the Property or to its occupants or residents, or to any other property in the vicinity thereof or to its occupants or residents. No unsightly articles shall be permitted to remain on any Building Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage, trash, equipment, gas canisters, propane gas tanks, barbecue equipment, heat pumps, compressors, containers, lumber, firewood, grass, shrub or tree clippings, metals, bulk material, and scrap shall be kept at all times in such containers and in areas approved by the Design Committee or Modifications Committee, as applicable. No clothing or fabric shall be hung, dried or aired in such a way as to be visible to any other portion of the Property. No refuse of any kind shall be placed into or allowed to enter any Waterway.

4.5 Trade or Business. No trade or business of any kind may be conducted in or from any Building Lot; provided, however, an owner or occupant of a Building Lot may conduct such business activity from such Building Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from the exterior of the owner's or occupant's dwelling on the Building Lot; (b) the business activity conforms to all zoning requirements for the Building Lot; (c) the business activity does not involve persons coming onto the Building Lot who do not own or occupy the Building Lot; (d) the business activity does not increase the liability or casualty insurance obligation or premium of the Association; and (e) the business activity is consistent with the community-wide standard and does not constitute a nuisance or hazardous or offensive use, as may be determined in the sole discretion of the Board.

The terms "**business**" and "**trade**," as used in this Section 4.5, shall be construed to have their ordinary generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full- or part-time; (ii) such activity is intended to or does generate a profit; and (iii) a license is required therefor.

An owner or occupant of a Building Lot shall not, without the prior written consent of the Board, make any structural alterations in or additions to the owner's or occupant's dwelling on the Building Lot, make any interior alterations in or additions to such dwelling visible from the exterior of such dwelling, or make any alterations in or additions to the exterior of such dwelling or to any other portion or portions of the Common Area to facilitate such trade or business. Provided, however, the intent of such restriction is not intended to interfere with the original construction or modification of any such dwelling on a Building Lot as provided further herein.

4.6 No Hazardous Activities. No activities shall be conducted on the Property, and no Improvements shall be constructed on the Property that are or might be unsafe or hazardous to any Person or property.

4.7 No Mining or Drilling. No portion of the Property shall be used for the purpose of blasting, mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, sand, gravel or earth. This Section shall not prohibit exploratory drilled or coring which is necessary to construct Improvements including, without limitation, water facilities.

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

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

Without limiting the foregoing, the following specific restrictions apply:

- (a) all on-street parking shall be limited to those specific areas where on-street parking is not expressly prohibited;
- (b) vehicles shall not extend or otherwise be permitted on or into any sidewalk, bicycle path, pedestrian path, or Waterway unless such vehicle is engaged in an emergency procedure, or as provided elsewhere in the Project Documents;
- (c) no motors homes, motor coaches, campers, trailers, snowmobiles, aircraft, boats, recreational vehicles, all-terrain vehicles, abandoned or inoperable vehicles (that is, any vehicle which has not been driven under its own propulsion for a period of seven (7) days or longer), oversized vehicles (that is, vehicles which are too high or too wide to clear the entrance of an approved residential garage door opening), dilapidated or unrepaired and unsightly vehicles or similar equipment such as snow removal equipment, garden maintenance equipment and all other potentially unsightly equipment and machinery shall be placed upon any portion of the Property including, without limitation, streets, parking areas and driveways, unless the same are enclosed by a structure concealing them from view in a manner approved by the Design Committee or Modifications Committee, as applicable;
- (d) to the extent possible, garage doors shall remain closed at all times;
- (e) the use of electronic, gas or other fuel operated gardening, yard or snow removal equipment shall only be allowed from 8:00 a.m. to 8:00 p.m.; and
- (f) the placement of exhaust fans used for exhausting odors, fumes, dust, or similar substances shall be placed in a location that will not offend or be a nuisance to adjacent Building Lots or their occupants.
- (g) No vehicles of persons residing in a residence or employed in the residence shall be regularly parked on the streets.
- (h) Vehicles of persons residing in a residence or regularly employed in the residence shall be garaged when not in use.

4.10 Animals/Pets. No animals, birds, insects, pigeons, poultry or livestock shall be kept on the Property. This Section is not intended to prohibit the keeping of up to two (2) domesticated dogs, up to two (2) domesticated cats, and other typical household pets which do not unreasonably bother or constitute a nuisance to others. Without limiting the generality of the foregoing, consistent and/or chronic barking by dogs or similar sounds by other household pets shall be considered a nuisance. Each dog or other similar household pet in Pinewood Lakes shall be kept on a leash, curbed, and otherwise controlled at all times when such animal is off the premises of its owner and are to be kept in compliance with all applicable State and local laws and ordinances. Such owner shall clean up any animal defecation immediately from any Common Area or public right-of-way. Failure to do so may result, at the Board's discretion, with a Limited Assessment levied against such animal owner. No dog or cat shall be allowed in any Waterway or allowed to entered surrounding farm ground. The construction of dog runs or other pet enclosures shall be subject to applicable Design Guidelines and shall be appropriately screened and maintained in a sanitary condition. Dog runs or other pet enclosures shall be placed a minimum of ten

(10) feet from the side and/or rear Building Lot line, shall not be placed in any front yard of a Building Lot, and shall be screened from view so as not to be visible from Common Area or an adjacent Building Lot.

4.11 No Mobile Homes or Temporary Structures. No house trailer, manufactured home, mobile home, tent (other than for short term recreational use), shack or other temporary building, improvement or structure shall be placed upon any portion of the Property, except temporarily as may be required by construction activity undertaken on the Property. Providing however, that a mobile office may be placed upon a portion of the Property and/or Common Area by Grantor or Grantor's agents and/or employees for the purpose of construction, operation and/or marketing Pinewood Lakes or other adjacent land until all such construction and/or marketing is complete.

4.12 Drainage. There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Design Committee or Modifications Committee, as applicable. For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Property is completed by Grantor, or that drainage which is shown on any plans approved by the Design Committee or Modifications Committee, as applicable, which may include drainage from a Common Area over a Building Lot in the Property. In designing and installing drainage facilities, each Owner should refer to and be guided by **Exhibit B** (Homebuilders and Homeowners Drainage and Landscape Recommendations).

4.12.1 ACHD Storm Water and Drainage Easement. Ada County Highway District ("ACHD") has a perpetual blanket storm water retention and drainage easement over portions of this subdivision identified on the plat as Storm Water Drainage Facilities. Together these easements are for access, to retain water, and to construct, install, maintain and replace the storm water and drainage system and all facilities relating thereto. The storm drain system also includes the street gutters, drop inlets, storm drain pipes and all related facilities. The primary purpose of this storm drainage easement area is for the storage and drainage of storm water.

4.12.2 "Heavy" Maintenance of Drainage/Retention Area. Heavy maintenance consists of periodically inspecting the retention and drainage facility to ensure it is functioning properly; cleaning out the facility piping and mucking out the facility when the sediment level exceeds the designed storage level. All other maintenance shall be referred to herein as "light" maintenance. ACHD has opted to perform this "heavy" maintenance and shall be allowed to perform this maintenance work. In the event the ACHD shall decide not to do such "heavy" maintenance, then the Association shall do so.

4.12.3 "Light" Maintenance. The Association shall provide all "light" maintenance of the drainage/retention and easement areas as set out in the Operation and Maintenance Manual for Pinewood Lakes Subdivision. This Manual is on file with ACHD.

4.12.4 Association Failure to Maintain; ACHD Remedies. In the event that ACHD determines, in its sole discretion, that the Association is not adequately performing its maintenance responsibilities set out in the Manual above, then ACHD shall, before undertaking maintenance of said area, provide written notice of its intention to begin maintenance after a thirty (30) day period. Within that thirty (30) days the Association may undertake to initiate and conclude all maintenance defects as identified by ACHD. In the event that the Association shall fail to commence and conclude maintenance to the extent said items of specific maintenance are identified by ACHD within the prescribed thirty (30) days, then in that event, ACHD may begin to undertake such maintenance. ACHD is hereby granted an irrevocable license to enter upon any portion of the common area to perform such inspection and maintenance of the Common Areas identified herein.

Should ACHD engage in maintenance of the common area or facility after having provided notice to the Association and having provided the Association an opportunity to

undertake said maintenance, the Association shall pay all of the costs of the maintenance. ACHD shall first bill the Association and if such bill shall not be paid within sixty (60) days, then ACHD shall be entitled and empowered to file a taxable lien against all lots within this subdivision with power of sale as to each and every lot in order to secure payment of any and all assessments levied against all lots pursuant to the CC&R's as if said maintenance had been performed by the Association, together with interest at the rate which accrues on judgments thereon and all costs of collection which may be paid or incurred by ACHD.

The Association shall not be dissolved or relieved of its responsibility to maintain the defined Common Area and facilities contained therein without the prior written approval from ACHD.

The Association and all Owners of Building Lots by accepting title to a Building Lot agree that all Owners within Pinewood Lakes Subdivision are benefited property owners of such maintenance.

4.13 Grading. All Improvements must be placed on any Building Lot in accordance with the grading plan approved by the City of Star, federal guidelines, and guidelines of the Pinewood Lakes engineer. The Owner of any Building Lot within the Property in which grading or other work has been performed pursuant to a grading plan approved under applicable federal, state and/or local laws, ordinances and/or by the Design Committee or Modifications Committee, as applicable, shall maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, means or devices which are not the responsibility of any public agency, and plantings and ground cover installed or completed thereon. Such requirements shall be subject to Limited Assessments provided for herein.

Each Owner shall grade and drain such Owner's individual Building Lot (and maintain that grading and drainage) to prevent the runoff or drainage of water onto any adjacent Building Lots. Each Owner shall also refrain from using excessive irrigation water that overflows onto adjacent property. (Excessive irrigation may also cause water to settle into crawl spaces and create numerous problems relating thereto.) Grantor shall have no duty to grade any property. All grading and elevations shall be done by each Owner. All Building Lots and property shall be graded at the time of building (and such grading shall be maintained thereafter) so that:

- (a) the Building Lot will drain sufficiently away from any foundation with a proper slope to keep water out of the crawl space of the home;
- (b) drainage will be directed to the side, rear and front yards and not to any adjacent property;
- (c) grading and drainage shall comply with all applicable building code requirements.

It shall be the specific affirmative duty of each Owner to prevent any water on that Owner's Building Lot from draining onto any other Owner's Building Lot (and/or into any neighboring crawl spaces). In the event that an Owner does not adequately maintain the grade, drainage and slope of the Building Lot as provided herein, or uses excessive irrigation water, such that water flows off such Owner's Building Lot onto an adjacent property causing damage or injury, the offending Owner may be liable for any damages occurring as a result and may be liable for all of the costs of remedial actions to correct the problem should the offending Owner fail to correct the problem.

4.14 Water Supply Systems. No separate or individual water supply system, regardless of the proposed use of the water to be delivered by such system, shall be permitted on any Building Lot unless such system is approved by all government authorities having jurisdiction, and designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of the

Design Committee or Modifications Committee, as applicable, and Star Sewer and Water District and Grantor, so long as Grantor is the Owner of Building Lots.

4.15 Water Rights Appurtenant to Subdivision Lands. Grantor owns certain water rights which are appurtenant to the Property and which may be utilized in connection with the Irrigation System, defined below, that will supply non-potable irrigation water to the Property, as provided further herein. Grantor hereby reserves unto itself any and all water and water rights, ditch and ditch rights, and storage and storage rights appurtenant to the Property, and accordingly, Owner of any Building Lot(s) shall have no right, title or interest in any of such water and water rights, ditch and ditch rights, and storage and storage rights.

Each Owner, by accepting and recording a deed to a Building Lot or by occupying any Building Lot, acknowledges and agrees that: the Property is in the Middleton Mill Irrigation District (hereinafter "**District**"); the water in District has not been transferred from this Property; each Owner of any Building Lot is subject to all assessments levied by District, or other water supplier and/or the Association; each Building Lot Owner shall be responsible for any levies attributable to such Building Lot by the District, or other water supplier and/or the Association; and water assessments are a lien upon each Building Lot. Each Owner or Occupant of any Building Lot specifically releases and waives any and all claims of any kind against Grantor, its agents, employees, officers, members and directors relating to irrigation water, or the lack of it, or the quantity or quality of it, in Pinewood Lakes.

4.16 Boise River; Flood Insurance. Pinewood Lakes is located on the Boise River. Pinewood Lakes has been, or will be, designed to accommodate 50% of the total no net loss of Boise River flood water storage. To accomplish such flood water storage, Pinewood Lakes has been, or will be, designed with three flood water impoundment lakes, which lakes are more particularly described in that certain Declaration of Flood Water Storage, attached hereto as **Exhibit C** and made a part hereof. Nonetheless, the Boise River can flood or cause high water and it is recommended that each Owner secure flood insurance to protect the Owner and the Owner's dwelling, contents of the dwelling and other property. Grantor shall have no liability to any Owner for any damage, loss or injury that may be related to or caused by any high water or flooding of the Boise River. Each Owner, occupant, or tenant by accepting a deed to a Building Lot, or by occupying a Building Lot, waives any and all claims or actions against Grantor, and Grantor's officers, directors, members, employees or shareholders for any damages, injuries or losses incurred in any high water or flooding.

4.17 Energy Devices; Outside. No energy production devices, including, without limitation, generators of any kind and solar energy devices, shall be constructed or maintained on any portion of the Property without the written approval of the Design Committee or Modifications Committee, as applicable, except for heat pumps shown in the plans for a residential structure and as approved by the Design Committee or Modifications Committee, as applicable. This Section shall not apply to passive solar energy systems incorporated into the approved design of a residential structure or any back-up devices necessary for utility pump stations.

4.18 Signs. No signs of any kind, including, without limitation, "**for sale**" signs, shall be displayed on or from any portion of the Property except those signs approved by the Design Committee or Modifications Committee, as applicable, or signs of Grantor or its representatives, agents, employees or assigns, or signs required by law.

4.19 Antennae. No exterior radio antenna, television antenna, satellite dish antenna or other antenna of any type shall be erected or maintained on the Property unless such is located or screened in a manner acceptable to and approved by the Design Committee or Modifications Committee, as applicable.

4.20 No Further Subdivision. No Building Lot may be further subdivided unless expressly approved in writing by Grantor and consistent with all applicable State and local laws and ordinances.

4.21 Leasing. The Owner of a Building Lot shall have the right to lease such Building Lot and residential structure thereon, subject to the following conditions: (1) all leases shall be in writing; (2) such lease shall be specifically subject to the Project Documents, and any failure of a tenant to comply with the Project Documents shall be a default under the lease; (3) the Owner shall be liable for any violation of the Project Documents committed by the tenant of such Owner, without prejudice to the Owner's right to collect any sums from such tenant paid by the Owner on behalf of the tenant; (4) the Owner shall maintain commercially reasonable amounts of personal liability and property damage insurance on such Owner's Building Lot and such insurance shall name the Association as an additional insured; and (5) the Owner who leases such Owner's Building Lot shall be deemed to consent to the Master Association commencing and maintaining any actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or the Articles or the Bylaws, including the Association Rules adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof in connection with such Owner's tenant and/or such Owner's Building Lot.

4.22 Grantor's Right of Development. Nothing contained herein shall limit the right of Grantor to grant licenses, to reserve rights-of-ways and easements for utility companies, public agencies or others, or to complete excavation, grading and construction of Improvements to and on, under or about any portion of the Property owned by Grantor and/or the Association, or to alter the foregoing and Grantor's construction plans and designs, or to construct such additional Improvements as Grantor deems advisable in the course of development of the Property so long as any Building Lot in the Property and Pinewood Lakes remains unsold by Grantor. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property and Pinewood Lakes such structures and displays as may be reasonably necessary for the conduct of Grantor's business of completing the development work and disposing of the Property and Pinewood Lakes by sales, lease or otherwise. Grantor shall have the right at any time prior to acquisition of title to a Building Lot by a purchaser to grant, establish and/or reserve on that Building Lot additional licenses, reservations and rights-of-way to Grantor, to utility companies, or to others as may from time to time be reasonable necessary for the proper development and disposal of the Property and Pinewood Lakes. Grantor may use any structures owned by Grantor on the Property and Pinewood Lakes as model home complexes or real estate sales or leasing offices. Grantor need not seek or obtain Association, development office or Design Committee or Modifications Committee, as applicable, approval of any Improvement constructed or placed by Grantor on any portion of the Property and/or Pinewood Lakes. The rights of Grantor in connection with the Declaration may be assigned by Grantor to any successor in interest in connection with Grantor's interest in any portion of the Property and Pinewood Lakes, by an express written assignment recorded in the Ada County Recorder's Office.

Grantor, in Grantor's sole discretion and in accordance with all applicable State and local zoning laws, may amend and modify the Development Plan. By acceptance of a deed to any property in Pinewood Lakes, each Owner of such property thereby acknowledges and agrees the Development Plan for the Property may be amended, modified or changed in Grantor's sole discretion, so long as the Development Plan is consistent with applicable State and local zoning laws. Each Owner by acceptance of a deed to any Building Lot or other property within Pinewood Lakes agrees that such Owner shall not object to or oppose any development of any portion of the Property and/or Pinewood Lakes, or other property owned or purchased by Grantor and annexed to the Property as more fully provided in Article XVII below. Such agreement not to oppose development is a material consideration to the conveyance of any portion of the Property by Grantor to any and all Persons.

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

ARTICLE V: PINWOOD LAKES COMMUNITY (MASTER) ASSOCIATION

5.1 Organization of Pinewood Lakes Community Association. Pinewood Lakes Community Association, Inc. ("**Master Association**") shall be initially organized by Grantor as an Idaho nonprofit

corporation under the provisions of the Idaho Code relating to nonprofit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. Grantor grants to the Association a revocable, non-exclusive license to use the name "Pinewood Lakes" for the sole purpose of identifying the Association.

5.2 Membership. Each Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Master Association, and no Owner shall have more than one membership in the Master Association. Membership in the Master Association shall be appurtenant to the Phase, Building Lot or other portion of the Property owned by such Owner. The membership in the Master Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Master Association.

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

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

5.3.2 Class B Members. The Grantor shall be known as the Class B Member, and shall be entitled to five (5) votes for each of the 330 residential units planned for Pinewood Lakes (that is, 1,650 votes), less five (5) votes for each Building Lot owned by someone other than Grantor. The Class B Member shall cease to be a voting Member in the Master Association at the earlier of: (a) when Grantor has sixty (60) or fewer votes in the Master Association; or (b) January 1, 2025.

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

5.4 Board of Directors and Officers. The affairs of the Master Association shall be conducted and managed by a Board of Directors ("Board") and such officers as the Board may elect or appoint, in accordance with the Articles and Bylaws, as the same may be amended from time to time. The Board of the Master Association shall be elected in accordance with the provisions set forth in the Master Association Bylaws.

5.5 Powers and Duties of the Master Association.

5.5.1 Powers. The Master Association shall have all the powers of a corporation organized under the nonprofit corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. The Master Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Master Association under Idaho law and under this Declaration, and the Articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Association's other assets, including water rights when and if received from Grantor, and affairs and the performance of the other responsibilities herein assigned, including without limitation:

5.5.1.1 Assessments. The power to levy Assessments on any Owner or any portion of the Property, pursuant to the restrictions provided in this Declaration, and to force payment of such Assessments, all in accordance with the provisions of this Declaration. This power shall include the right of the Association to levy Assessments on any Owner or any portion of the Property to cover the operation and maintenance costs of Common Area.

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

5.5.1.3 Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any person, firm or corporation to act as manager, and to contract for the maintenance, repair, replacement and operation of any Common Area. Neither the Master Association nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated. All contracts for management of any Common Area shall be for a term not exceeding one (1) year, shall be terminable on thirty (30) days notice with or without cause, and shall be subject to review by the Board

5.5.1.4 Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Master Association deems reasonable. The Master Association may govern the use of the Common Areas, including but not limited to the use of private streets and the Waterways by the Owners, their families, invitees, licensees, lessees or contract purchasers; provided, however, that any Association Rules shall apply equally to all Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of any conflict between such Association Rules and any other provisions of this Declaration, or the Articles or Bylaws, the provisions of the Association Rules shall

be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such inconsistency.

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

5.5.1.6 Licenses, Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly construction of Improvements, maintenance, preservation and enjoyment of the same, and for the preservation of the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

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

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

5.5.1.6.3 Mailboxes and sidewalk abutments around such mailboxes or any service facility, berm, fencing and landscaping abutting Common Area, public and private streets or land conveyed for any public or quasi-public purpose including, but not limited to, pedestrian and bicycle pathways.

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

5.5.2 Duties. In addition to duties necessary and proper to carry out the power delegated to the Master Association by this Declaration, and the Articles and Bylaws, without limiting the generality thereof, the Master Association or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the Master Association and to perform, without limitation, each of the following duties:

5.5.2.1 Operation and Maintenance of Pinewood Lakes Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Pinewood Lakes Common Area (other than Local Common Area), including the repair and replacement of property damaged or destroyed by casualty loss and including any signs placed at the entrances to, or otherwise in the vicinity of, the Property. All Waterways, drainage ponds, pipes and related facilities shall be maintained in accordance with sound hydrological principles and irrigation company rules, where applicable. Specifically, the Master Association shall, at Grantor's sole discretion, operate and maintain all properties owned by Grantor which are designated by Grantor

for temporary or permanent use by Members of the Master Association. Such properties may include those lands located near the Boise River and other lands intended for open space uses.

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

5.5.2.3 Maintenance of Berms, Retaining Walls and Fences. Maintain any berms, retaining walls, fences and water amenities, including any Waterways within and abutting any Common Area. Maintain the water amenities constructed by Grantor or Master Association located in that certain easement in, over and through Building Lots as shown on the Plat.

5.5.2.4 Maintenance of the Irrigation System. The operation and maintenance of the Irrigation System, defined below, contemplated for the Property when and if conveyed to the Master Association. It is contemplated that Grantor shall construct the Irrigation System, and that Grantor may transfer the Irrigation System to the Master Association by describing such transfer on a recorded Plat, or granting or reserving the Irrigation System in a deed or other instrument, or in this Declaration or in any Supplemental Declaration. Notwithstanding any other provision of this Declaration, if Grantor has transferred the Irrigation System to the Master Association, the Master Association shall have the right to transfer, sell or convey the Irrigation System to a public or private entity, conditioned only upon reasonable assurances that the Irrigation System will be owned, operated and maintained in a manner that will provide service from the Irrigation System to Owners on a continuing basis with quality of service equal to the Community-Wide Standard, and service that meets all applicable governmental laws, ordinances and regulations. For purposes of this Article, Grantor is hereby appointed and made attorney-in-fact for the Master Association, with full power of attorney to consummate any such transfer of the Irrigation System.

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

5.5.2.6 Tax Returns. Timely file any and all tax return(s) with the appropriate government entity.

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

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

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

5.5.2.8.2 Comprehensive public liability insurance insuring the Board, the Master Association, the Grantor and the individual grantees and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Pinewood Lakes Common Area. Limits of liability of such coverage shall be as follows: Not less than One Million Dollars (\$1,000,000) per person and One Million Dollars (\$1,000,000) per occurrence with respect to personal injury or death, and One Million Dollars (\$1,000,000) per occurrence with respect to property damage.

5.5.2.8.3 Full coverage directors' and officers' liability insurance with a limit of at least Two Hundred Fifty Thousand Dollars (\$250,000).

5.5.2.8.4 Such other insurance, including motor vehicle insurance and worker's compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Master Association functions or to insure the Master Association against any loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of any Master Association funds or other property.

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

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

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

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

5.5.2.11 Design Committee. Appoint and remove members of the Design Committee following Grantor's relinquishment of right to appoint as conveyed in Article XI, or Modifications Committee, as applicable, subject to the provisions of this Declaration.

5.5.2.12 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of the Declaration, or of the Articles or

Bylaws, including, without limitation, the recordation of any claim of lien with the Ada County Recorder's Office, as more fully provided herein.

5.5.2.13 Maintenance within a Phase. The Master Association may assume maintenance responsibility for property within any Phase in addition to that designated by any Supplemental Declaration, either by agreement with the Phase or because, in the opinion of the Board the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this Section shall be assessed as a Special Assessment only against the Building Lots within the Phase to which such services are provided.

5.6 Personal Liability. No Member of the Board, or member of any committee of the Master Association, or any officer of the Master Association, or the Grantor, or the manager, if any, shall be personally liable to any Owner, or to any other party, including the Master Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Master Association, the Board, the manager, if any, or any other representative or employee of the Master Association, the Grantor, or the Design Committee, or any other committee, or any officer of the Master Association, or the Grantor, provided that such Person, upon the basis of such information as may be possessed by such Person, has acted in good faith without willful or intentional negligence and/or misconduct.

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

5.7.1 A pro forma operating statement or budget, for each fiscal year shall be available for distribution not less than sixty (60) days before the beginning of each fiscal year. The operating statement shall include a schedule of Assessments received and receivable, identified by the Building Lot number and the name of the person or entity assigned.

5.7.2 Within ninety (90) days after the close of each fiscal year, the Master Association shall cause to be prepared and available to each Owner, a balance sheet as of the last day of the Master Association's fiscal year and annual operating statements reflecting the income and expenditures of the Master Association for its last fiscal year. Copies of the balance sheet and operating statement shall be available for distribution to each Member within ninety (90) days after the end of each fiscal year.

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

5.9 Meetings of Master Association. Each year the Master Association shall hold at least one meeting of the Members, according to the schedule for such meetings established by the Bylaws. Special meetings may be called as provided for in the Bylaws of the Master Association. Only Members shall be entitled to attend Master Association meetings, and all other persons may be excluded. Notice of all Master Association meetings, regular or special, shall be given as provided in the Bylaws of the Master Association. All meetings shall be held within the Property or as close thereto as practicable at a reasonable place selected by the Board. All Members of the Master Association are encouraged to attend all annual and special meetings of the Master Association.

5.10 Security. The Master Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than otherwise might be. Neither the Master Association, Grantor, nor any successor of Grantor shall in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges that the Master Association, Grantor, and any successor of Grantor are not insurers, and that each person using the Property assumes all risks for loss or damage to persons, property, Building Lots, to Pinewood Lakes Common Area, and to the contents of Building Lots resulting from acts of third parties.

ARTICLE VI: LOCAL ASSOCIATIONS

6.1 Creation by Grantor. Grantor shall create any Local Association as a profit or non-profit corporation under the provisions of the Idaho Code relating to corporations, or Grantor may create such Local Association as any unincorporated entity which Grantor deems appropriate. Grantor may, in its discretion, create a Local Association by means of a Supplemental Declaration by means of separate instruments.

6.2 Management, Powers and Duties. Each Local Association shall be managed in the same manner specified in the applicable Supplemental Declaration or other instrument and/or in the Articles and Bylaws of the Local Association, shall have the same powers, rights, obligations and duties and be subject to the same limitations and restrictions including levying Assessments, adopting rules and regulations, granting easements and licenses, managing property and water rights, paying expenses, taxes, Assessments, utility charges, insurance premiums and preparing budgets and financial statements as are provided for herein for the Master Association, except as modified herein or by a Supplemental Declaration. The Board members, officers, managers and Grantor shall be free of personal liability as to the Local Association in the same manner as described herein with respect to the Master Association.

6.3 Members of Local Associations. Where a Local Association is created, the Members thereof shall be all the Owners of Building Lots, including Grantor while Grantor remains an Owner, in the respective Phases designated as governed by a Local Association in the applicable Supplemental Declaration. Memberships may be transferred only as specified in Section 5.2 for the Master Association.

6.4 Voting in Local Associations. Each Local Association shall have two (2) classes of voting memberships as described below. The number of votes each Member may cast in a single vote will be determined according to the number of Building Lots existing on that portion of the Property governed by a Local Association the Member owns, in the same manner and amounts as votes are allocated to Members in Section 5.3 hereof. When more than one person holds an interest in any Building Lot, all such persons shall be Members but shall share the vote attributable to the Building Lot.

6.4.1 Class A Members. Owners other than Grantor shall be known as Class A Members. The Grantor shall become a Class A Member when the Class B membership ceases, as described in Section 6.4.2 hereof. Each Class A Member shall be entitled to cast one (1) vote for each Building Lot owned by such Owner on the day of the vote.

6.4.2 Class B Member. The Class B Member shall be the Grantor. The Class B Member is entitled to five (5) votes for each Building Lot which Grantor owns in that Phase governed by a Local Association. The Class B membership in such Local Association shall cease on the later of when the total cumulative votes of the Class A Members for such Phase equals or exceeds the total votes of the Class B Member; or provided that the Class B membership shall not cease before the expiration of ten (10) years from the date on which the first Building Lot in such Phase covered by the Local Association is sold to an Owner.

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

6.5 Annual Meetings of Local Association. There shall be an annual meeting of the Members of each Local Association at least ten (10) days but no more than sixty (60) days before every annual meeting of the Master Association. The first annual meeting of the Members in such Local Association shall be held on or before March 1 of the year following the first sale of a Building Lot in the Phase covered by such Local Association. Such meeting shall be held on the Phase which the Local Association covers, or at such other convenient location in or near the Property as may be designated in the notice of such meeting. Written notice of the time, place and purpose of each annual meeting shall be delivered to the Members as provided in the Local Association's Bylaws or Articles.

6.6 Special Meetings. A special meeting of the Local Association Members may be called at any reasonable time and place by written notice delivered to all other Members not less than ten (10) days nor more than thirty (30) days before the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be conducted. Such notice shall be delivered in the manner specified in the Local Association's Articles or Bylaws.

6.7 Powers and Duties. Each such Local Association shall be managed by a Board of Directors and such officers as the Board may elect or appoint, in accordance with the Articles and Bylaws of such Local Association. The Board shall have the same powers and duties with respect to its Members or the property owned, managed or maintained by it, including levying Assessments, adopting rules and regulations, granting easements, licenses and rights-of-way, payment of expenses, taxes, Assessments, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements, as are provided in Section 5.5 for the Master Association. Each such Local Association may certify to the Master Association the amount of such Assessments and charges for collection. The Board, Member, committee, officers, managers and Grantor shall be free of personal liability as to the Local Association in the same manner as described in Section 5.6 for the Master Association.

ARTICLE VII: RIGHTS TO COMMON AREAS

7.1 Use of Common Area. Every Owner shall have a right to use each parcel of Pinewood Lakes Common Area, and to the extent permitted by the appropriate Supplemental Declaration or other instrument, shall have a right to use each parcel of Local Common Area owned and/or managed by a Local Association of which such Owner is a Member, which right shall be appurtenant to and shall pass with the title to every Building Lot, subject to the following provisions:

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

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

7.1.3 The right of such Association to dedicate or transfer all or any part of Common Area to any public agency, authority or utility or other Person for such purposes and subject to such conditions as may be permitted by the Articles and Bylaws and agreed to by the Members as provided further herein.

7.1.4 The right of such Association to prohibit the construction of structures or Improvements on Common Area.

7.1.5 The right of such Association to adopt rules regulating the use and enjoyment of Common Area, including rules restricting use of recreational facilities within Common Area to occupants of Building Lots and their guests and rules limiting the number of guests who may use Common Area.

7.1.6 The right of such Association to permit use of any recreational facilities situated on Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board. Such Association may lease Common Area to a private club composed of such Owners who use the facility, or to a commercial operator, or to Grantor, or to a city or county parks department, or to any other appropriate body, on such terms and conditions as may be agreed to by the Association. If an Association so agrees in the lease of such facilities, the lessee shall have the right to permit public use upon payment of use fees, which shall not be less than the fees charged to Owners for such use. There is hereby reserved to all authorized users of any portion of Common Area an easement over the remaining Common Area of the Association for direct ingress and egress to and from such Common Area being leased, subject to Association Rules and regulations.

7.1.7 Common Area cannot be mortgaged or conveyed without the approval of Owners, excluding Grantor, of at least two-thirds (2/3) of the total voting power in the Association or Local Association, as applicable. If ingress or egress to any Building Lot is through Common Area, any conveyance or encumbrance of Common Area shall be subject to an easement of Owners of such Building Lots for the purpose of ingress and egress.

7.2 Designation of Common Area. Grantor shall designate and reserve Pinewood Lakes Common Area and Local Common Area in the Declaration, Supplemental Declarations and/or recorded Plats, deeds or other instruments and/or as otherwise provided herein.

7.3 Delegation of Right to Use. Any Owner may delegate, in accordance with the respective Bylaws and Association Rules of the Master Association or any Local Association, as the case may be, such Owner's right of enjoyment to the Local Common Area or the Pinewood Lakes Common Area, to the members of such Owner's family in residence, and such Owner's tenants or contract purchasers who reside on such Owner's Building Lot. Only Grantor or an Association shall have the right to delegate the right of enjoyment to the Local Common Area or the Pinewood Lakes Common Area, to the general public, and such delegation to the general public shall be for a fee set by Grantor or Association.

7.4 Damages. Each Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, such Owner's resident

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

ARTICLE VIII: ASSESSMENTS

8.1 Covenant to Pay Assessments. By acceptance of a deed to any property in Pinewood Lakes, each Owner of such property hereby covenants and agrees to pay when due all Assessments or charges made by the Master Association and/or a Local Association, including all Regular, Special and Limited Assessments and charges made against such Owner pursuant to the provisions of this Declaration or other applicable instrument.

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

8.1.2 Assessment is Personal Obligation. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such property beginning with the time when the Assessment falls due. No Owner shall be exempt from such obligation by a waiver of the use and enjoyment of Common Area or by lease or abandonment of such Owner's Building Lot. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of an Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

8.2 Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments shall be fixed at a uniform rate per Building Lot for all Members of an Association; provided, however, the basis and rate of Assessments for each type of use may be varied. For example, Building Lots may be assessed variably based on each type of use including, without limitation, single-family residential dwellings, townhomes or patio homes. Provided further, however, Building Lots in any Phase that has designated Local Common Area may be varied to cover the cost of maintenance of such Local Common Area.

8.3 Date of Commencement of Assessments. The obligation to pay Assessments shall commence as to each Building Lot on the first day of the month following: (1) the month in which the Building Lot is made subject to this Declaration; or (2) the month in which a Board first determines a budget and levies Assessments pursuant to this Article, whichever is later. The first annual Regular Assessment levied on each Building Lot shall be adjusted according to the number of months remaining in the fiscal year at the time Assessments commence on the Building Lot.

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

- (a) all Common Area and Local Common Area;
- (b) any property dedicated to and accepted by any governmental authority or public utility; and
- (c) any property held by a conservation trust or similar nonprofit entity as a conservation easement, except to the extent that any such easement lies within the boundaries of a Building Lot which is subject to Assessment (in which case the Building Lot shall not be exempted from Assessment).

8.5 Capitalization of Association. Upon acquisition of record title to a Building Lot by the first Owner thereof other than Grantor or a builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association and Local Association, as applicable, in an amount equal to one-half of annual Regular Assessment per Building Lot for that year. This amount shall be in addition to, not in lieu of, the annual Regular Assessment and shall not be considered an advance payment of such Assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association and Local Association, as applicable, for use in covering operating expenses and other expenses incurred by such Association pursuant to the terms of this Declaration and the Project Documents.

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

8.6.1 Purpose of Regular Assessments. The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by an Association, including legal and attorneys fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, protection, maintenance, repair, management and operation of the Common Area, including all Improvements located on such areas owned and/or managed and maintained by such Association (the "**Operating Expenses**"), and an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements of the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (the "**Repair Expenses**"). The Operating Expenses and the Repair Expenses are collectively referred to herein as the "**Expenses.**" Regular Assessments may be levied against specific lots for costs incurred to maintain certain Local Common Area.

8.6.2 Computation of Regular Assessments. An Association shall compute the amount of its Expenses on an annual basis. The Association Board shall compute the amount of Regular Assessments owed by its Members for the first fiscal year within six (6) months following the month in which the closing of the first sale of a Building Lot occurred in Pinewood Lakes for the purposes of the Master Association's Regular Assessment, and in the applicable Phase for the purposes of a Local Association's Regular Assessment ("**Initiation Date**"). Thereafter, the computation of Regular Assessments shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of an Association. The computation of the Regular Assessment for the period from the Initiation Date until the beginning of the next fiscal year shall be reduced by an amount which fairly reflects the fact that such period was less than one (1) year. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with Grantor or other entities for payment of Expenses.

If the proposed budget is disapproved or an Association Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Regular Assessment shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted expenses, including reserves. In determining the level of Assessments, a Board, in its discretion, may consider other sources of funds available to the Association. In addition, a Board shall take into account the number of Building Lots subject to Assessment on the first day of the fiscal year for which the budget is prepared and the number of Building Lots reasonably anticipated to become subject to Assessment during the fiscal year.

8.6.3 Amounts Paid by Owners. An Association Board can require, in its discretion or as provided in the Project Documents, payment of Regular Assessments to the Association in monthly, quarterly, semi-annual or annual installments. Regardless of the installment schedule adopted by an Association Board, such Board may bill for Assessments monthly, quarterly, semi-

annually or annually, in its sole discretion. The Regular Assessments to be paid by any particular Owner for any given fiscal year shall be computed as follows:

8.6.3.1 As to the Master Association's Regular Assessment, each Owner shall be assessed and shall pay an amount computed by multiplying the Master Association's total advance estimate of Expenses by the fraction produced by dividing the Building Lots attributable to the Owner by the total number of Building Lots in the Property.

8.6.3.2 As to any Local Association, each Owner who is also a Member of such Association shall be assessed and shall pay an amount computed by multiplying such Association's total advance estimate of Expenses by the fraction produced by dividing the number of Building Lots in the applicable Phase attributable to such Owner by the total number of Building Lots in such Phase.

8.7 Grantor's Obligation for Assessments. While Grantor is a Class B Member, Grantor may annually elect either to pay regular Assessments on its unsold Building Lots, or to pay the difference between the amount of Assessments collected on all other Building Lots subject to Assessment and the amount of actual expenditures by an Association during the fiscal year. Unless Grantor otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, Grantor shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of such election, an Association shall have a lien against all Building Lots owned by Grantor to secure Grantor's obligations under this Section, which lien shall have the same attributes and shall be enforceable in the same manner as the Association's lien against other Building Lots under this Article. Grantor's obligations and/or payments hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

So long as Grantor has the right unilaterally to annex additional property pursuant hereto, Grantor may, but shall not be obligated to, make payment of a subsidy (in addition to any amounts paid by Grantor under this Section), which may be either a contribution, an advance against future Assessments due from Grantor, or a loan, in Grantor's discretion. Any such subsidy and the nature thereof shall be conspicuously disclosed as a line item in the expense budget and shall be made known to the Membership. The payment of such subsidy in any year shall under no circumstances obligate Grantor to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Grantor.

8.8 Special Assessments.

8.8.1 Purpose and Procedure. In the event that the Board of an Association shall determine that its respective Regular Assessment for a given calendar year is or will be inadequate to meet the Expenses of such Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs or replacement of capital improvements upon the Common Area, attorney's fees and/or litigation costs, other professional fees, or for any other reason, the Board thereof shall determine the approximate amount necessary to defray such Expenses and levy a Special Assessment against the portions of the Property within its jurisdiction which shall be computed in the same manner as Regular Assessments. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

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

8.9 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, a Board may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Member's Building Lot into compliance with the provisions of the Project Documents or for damage caused by the Owner, or any

of such Owner's family, representatives or invitees, to any Common Area or any other portion of the Property.

8.10 Assessment Period. Unless otherwise provided in the Project Documents, the Assessment period shall commence on January 1 of each year and terminate December 31 of the year in which the Initiation Date occurs. The first Assessment shall be pro-rated according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments.

8.11 Notice and Assessment Due Date. Thirty (30) days prior written notice of Regular and Special Assessments shall be sent to the Owner of every Building Lot subject thereto, and to any Person in possession of such Building Lot. The due dates for installment payments of Regular Assessments and Special Assessments shall be the first day of each month unless some other due date is established by the levying Association's Board. Each monthly installment of the Regular Assessment or Special Assessment shall become delinquent if not paid within ten (10) days after the levy thereof. There may accrue, solely at the Board's discretion, on each delinquent installment payment a late charge equal to ten percent (10%) of the delinquent installment. In addition, there may accrue, solely at the Board's discretion, on each installment payment which is delinquent for more than twenty (20) days, interest at eighteen percent (18%) per annum calculated from the date of delinquency to and including the date full payment is received by an Association. An Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Building Lot as more fully provided herein. Each Owner is personally liable for Assessments, together with all interest, costs and attorneys' fees, and no Owner may exempt such Owner from such liability by a waiver of the use and enjoyment of the Common Area, or by lease or abandonment of such Owner's Building Lot.

8.12 Reserve Budget and Capital Contribution. An Association's Board shall annually prepare reserve budgets which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of such Association, as shown on the budget, with respect both to amount and timing by annual Regular Assessments over the budget period.

8.13 Estoppel Certificate. An Association, upon at least twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Building Lot Owner is in default under the provisions of this Declaration, and further stating the dates to which any Assessments have been paid by the Owner. Any such certificate delivered pursuant to this Section 8.13 may be relied upon by any prospective purchaser or mortgagee of the Owner's Building Lot. Reliance on such Certificate may not extend to any default as to which the signor shall have had no actual knowledge.

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

ARTICLE IX: ENFORCEMENT OF ASSESSMENTS; LIENS

9.1 Right to Enforce. The Master Association has the right to collect and enforce Assessments pursuant to the provisions hereof. Each Owner of a Building Lot, upon becoming an Owner

of such Building Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy obtained against such Owner. The Board or its authorized representative may enforce the obligations of the Owners to pay such Assessments by commencement and maintenance of a suit at law or in equity, or the Board may exercise the power of foreclosure and sale pursuant to Section 9.3 to enforce the liens created hereby. A suit to recover a money judgment for an unpaid Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.

9.2 Assessment Liens.

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

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

9.3 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court.

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

ARTICLE X: INSPECTION OF ASSOCIATION'S BOOKS AND RECORDS

10.1 Member's Right of Inspection. The membership register, books of account and minutes of meetings of the Board and committees of an Association shall be made available for inspection and

copying by any Member of the Association or by such Member's duly appointed representatives, at any reasonable time and for a purpose reasonably related to such Member's interest as a Member at the office of the Association or at such other place as the Board of such Association shall prescribe. No Member or any other person shall copy the membership register for the purposes of solicitation of or direct mailing to any Member of an Association.

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

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

ARTICLE XI: DESIGN COMMITTEE; MODIFICATION COMMITTEE

11.1 Design Committee Creation; Right of Appointment. Before or within thirty (30) days after the date on which Grantor first conveys a Building Lot to an Owner, Grantor shall appoint three (3) individuals to serve on the Pinewood Lakes Design Committee, which Design Committee shall have exclusive jurisdiction over all original construction on any portion of the Property or any other real property annexed as provided further in Article XVII. Until one hundred percent (100%) of the Property has been developed and conveyed to Owners other than builders, Grantor retains the right to appoint all members of the Design Committee who shall serve at Grantor's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Grantor. Upon the expiration of such right, the Master Association Board shall appoint the members of the Design Committee, who shall serve and may be removed in the Board's discretion.

11.2 Modifications Committee; Right of Appointment. The Grantor or Master Association Board may establish a Modifications Committee ("**Modifications Committee**") to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by and shall serve at the discretion of the Master Association Board. The Modifications Committee, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing structures on Building Lots. The Design Committee shall have the right to veto any action taken by the Modifications Committee which the Design Committee determines, in its sole discretion, to be inconsistent with the Design Guidelines and/or the Community-Wide Standard.

11.3 Appointment of Design Committee Representative. The Design Committee or Modifications Committee, as applicable, may appoint in writing one (1) of its members to act as its designated representative (the "**Committee Representative**"). The Committee Representative may be delegated all duties and obligations of the Design Committee or Modifications Committee, as applicable. In the event a Committee Representative is appointed, it is intended that the Design Committee or Modifications Committee, as applicable, shall look to the Committee Representative to perform all functions of the Design Committee or Modifications Committee, as applicable, provided however, the Design Committee or Modifications Committee, as applicable, shall make all final determinations and decisions regarding all Design Committee or Modifications Committee, as applicable, duties and obligations. Any action or decision made by two (2) members of the Design Committee or three (3) members of the Modifications Committee shall be a binding decision of the entire Design Committee or Modifications Committee, as applicable.

11.4 Improvements Generally. The Grantor and Design Committee shall draft the Design Guidelines for the construction and reconstruction of all Improvements on the Property. No Improvements on any portion of the Property shall be constructed, reconstructed, placed or removed from the Property without prior written consent of the Design Committee or Modifications Committee, as

applicable. The Design Guidelines shall be used and drafted by the Design Committee to ensure that all Improvements conform and harmonize as to external design, quality and type of construction, architectural character, materials, color, location on the Building Lot, height, grade and finish ground elevation, natural conditions, landscaping and all aesthetic considerations, including guidelines designed to protect the special qualities and Community-Wide Standard of Pinewood Lakes, and to encourage creative design, by providing general architectural, design and construction guidelines (including building envelope guidelines), landscape guidelines (including a description of existing, natural conditions and vegetation), submittal and review procedures, and fees and charges for review. The Design Guidelines shall be drafted to conform to this Declaration. In the event of a conflict between the Design Guidelines and this Declaration, this Declaration shall govern. The content of the Design Guidelines may be modified and amended from time to time as provided in the Design Guidelines, and in all events can be modified and changed by a majority vote of the Master Association Board. Nothing contained in this Article limits any Owner's obligation and duty to ensure that such Owner's Building Lot Improvements are in compliance with this Declaration, any Supplemental Declaration, the Design Guidelines, any other Project Documents or applicable State or local laws.

11.5 Expenses. The Design Committee or Modifications Committee, as applicable, shall have the right to charge a fee for each application submitted to the Design Committee or Modifications Committee, as applicable, for review in an amount which may be established by the Design Committee or Modifications Committee, as applicable, from time to time and such fees shall be collected by the Design Committee or Modifications Committee, as applicable, and remitted to the Master Association to help defray the expenses of the Design Committee's or Modifications Committee's, as applicable, operation, including reasonable payment to each member of the Design Committee or Modifications Committee, as applicable, for their services as provided herein.

11.6 Non-Liability of Design Committee and Modification Committee Members. Approval by the Design Committee or Modification Committee shall not imply that Improvements meet any applicable federal, state and/or local laws and ordinances, and does not assure approval of the Improvements by any appropriate governmental or quasi-governmental agency, board or commission. Applicant and/or Owner shall ensure that such Improvements meet any and all applicable federal, state and/or local laws and ordinances. Notwithstanding that the Design Committee or Modifications Committee, as applicable, has approved Improvements, plans and specifications, neither the Design Committee or Modifications Committee, as applicable, nor any of their members shall be responsible or liable to the Master Association or to any Person, Owner, or Grantor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the Improvements, unless due to the willful misconduct or bad faith of the Design Committee or Modifications Committee, as applicable. Neither the Master Association Board, Design Committee or Modifications Committee, as applicable, nor any agent thereof nor Grantor nor any of its partners, employees, agents or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Design Guidelines, nor for any structural or other defects in any work done according to such plans and specifications. In any and all events, the Design Committee or Modifications Committee, as applicable, shall be defended, indemnified and held harmless by the Association in such suit or proceeding which may arise in connection with a Design Committee or Modifications Committee, as applicable, decision. The Association, however, shall not be obligated to defend, indemnify and hold harmless any member of the Design Committee or Modifications Committee, as applicable, to the extent any such member of the Design Committee or Modifications Committee, as applicable, shall be adjudged to be liable for willful misconduct or bad faith in the performance of such member's duty as a member of the Design Committee or Modifications Committee, as applicable, unless and only to the extent that a court in which such action or suit may be brought shall determine that, in view of all circumstances of the case, such member is fairly and reasonably entitled to indemnification and defense for such expenses if such court shall deem it proper.

11.7 Variations. The Design Committee or Modifications Committee, as applicable, may authorize variations from compliance with any of the Design Guidelines, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as

topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be evidenced in writing, and must be signed by at least two (2) members of the Design Committee or three (3) members of the Modifications Committee. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration, or the Design Guidelines shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or the Design Guidelines for any purpose except as to the particular Building Lot and particular provision covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting such Owner's use of the Property, including but limited to zoning ordinances and lot setback lines or requirements imposed by governmental or municipal authority.

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

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of the Declaration and the Design Guidelines may be excluded by the Master Association Board from the Property. In such event, neither the Master Association, its officers, or directors shall be held liable to any Person for exercising the rights granted hereunder. In addition to the foregoing, the Master Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of the Declaration and the decisions of the Design Committee and/or Modifications Committee

11.9 Grantor's Exemption. Any and all Improvements constructed by Grantor on or to the Property are not subject to review and approval by the Design Committee or Modifications Committee, as applicable.

11.10 Local Design Committee. The Grantor may, at its option, create a three (3) member Local Design Committee for the Property contained in any Phase designated by a Supplemental Declaration. Upon its formation, all proposals, plans and specifications for Improvements within the Phase requiring approval of the Design Committee described above must be submitted to the Local Design Committee for approval, rather than being submitted to the Pinewood Lakes Design Committee. Thus, all proposals, plans and specifications for Improvements require the approval of either the Pinewood Lakes Design Committee or the Local Design Committee, if such has been created, but not both such Committees. Each provision of this Article XI shall apply to the Local Design Committee as if it were the Pinewood Lakes Design Committee and to the Local Association as if it were the Master Association, except to the extent that such interpretation would be in conflict with the provisions of this Article XI.

ARTICLE XII: EASEMENTS

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

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

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

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

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

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

12.6.1 Improvement of Drainage and Utility Easement Areas. The Owners of Building Lots are hereby restricted and enjoined from constructing any Improvements upon any drainage and/or utility easement areas as shown on the Plat(s) or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for its intended purpose; provided, however that any Owner, Association, designated Person or Grantor having interest in the landscaping easement described in this Article, shall be entitled to install and maintain landscaping on such easement areas, subject to approval by the Design Committee or Modifications Committee, as applicable, so long as the same would not interfere with or prevent the easement area from being used for their intended purposes; provided further, that any damage sustained to Improvements on the easement areas as a result of legitimate use of the easement area shall be the sole and exclusive obligation of the Owner of the Building Lot where Improvements were so damaged, or in the event the easement area where Improvements were so damaged is located in a Common Area or Local Common Area, the Association shall be responsible for the damage sustained and may impose a Special Assessment therefor.

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

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

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

12.8 Party Structures. Each wall, fence, driveway or similar structure built as a part of the original construction on the Building Lots which serves and/or separates any two adjoining Building Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. All Owners who make use of the party structure shall share the cost of reasonable repair and maintenance of such structure equally. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners subsequently use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions. The right of an Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

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

The Owners desiring or using such driveway shall, by virtue of the installation of such driveway, automatically agree to provide Maintenance to such driveway, which Maintenance cost shall be shared equally. The Owners may enter into a maintenance agreement not inconsistent with this Section. "Maintenance" of such driveway shall mean and include, without limitation: (a) construction of a concrete or asphalt or other hard surface material driveway in the location agreed upon by such Owners; (b) maintenance and repair of the surface and subsurface of such driveway, as necessary, to maintain such driveway in a relatively level and evenly covered condition at the same grade and elevation as on the date such driveway construction is completed; and (c) removal from such driveway of snow, paper, rubbish and debris.

One or both Owners who have use of such driveway shall have the right, from time to time, to agree with the other Owner to relocate and/or reconfigure all or a portion of such driveway; provided, however, nothing either Owner does in connection with such relocation and/or reconfiguration shall permanently interfere with the free and unimpeded flow of vehicular and pedestrian traffic between the Building Lot(s) and any public and/or private right-of-way beyond the specific time reasonably required to accomplish any permitted relocation and/or reconfiguration. Such Owners agree to comply in all respects with any and all statutes, laws, ordinances, codes, regulations, rules and restrictive covenants in connection with the use of such driveway.

Each such Owner agrees to indemnify, hold harmless and defend the other Owner for and against liability, costs and expenses, including reasonable attorney's fees, for, without limitation:

damages, losses, injuries, or death to persons; or damages, infringements or losses to or of property, whether personal, real or intangible; or violations of any statute, law, ordinance, code, regulation or rule of any entity which may be asserted against the other Owner arising out of or in relation to the use and/or maintenance of such driveway by the other Owner, the other Owner's agents, guests, invitees, successors and assigns. In the event of a breach of any term, covenant, restriction or condition hereunder or under any maintenance agreement, the non-breaching party shall have, in addition to the right to collect damages, the right to enjoin such breach or threatened breach in a court of competent jurisdiction. Whenever a transfer of ownership of a Building Lot served by such Driveway occurs, the liability hereunder or under such maintenance agreement of the transferor for breach of covenant occurring thereafter automatically shall terminate and the transferee shall become liable for the covenants and obligations hereunder or under such maintenance agreement from and after such transfer of ownership.

12.10 General Landscape Easement. An easement is hereby reserved to each appropriate Association, its contractors and agents, to enter those portions of Building Lots, for the purpose of installing, maintaining, replacing and restoring exterior landscaping, and natural vegetation and/or habitat. Such landscaping activity shall include, by way of illustration and not of limitation, the mowing of lawns, irrigation, sprinkling, tree and shrub trimming and pruning, walkway improvement, seasonal planting and such other landscaping activities within the Property as such Association shall determine to be necessary from time to time.

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

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

12.13 Waterway Easements. Grantor hereby reserves an easement for all Waterways and related pipes, pumps and other equipment over, across, under and through all Building Lots and Common Areas to the extent reasonably required to maintain any Waterway system that may be installed by Grantor on the Property, including, without limitation, the Irrigation System. Any relocation of the water lines installed as a part of such system shall not be undertaken in any way which interrupts the flow of water through the system or damages the system in any other fashion. Grantor reserves the right to make any reconfiguration of any Waterway which Grantor determines, in Grantor's own discretion, to be necessary, expedient or desirable; provided, however, that nothing herein shall reserve unto Grantor the right to take any action which would disturb, encroach upon or endanger the foundation of any building, nor shall Grantor take any action which would materially alter any Waterway's proximity to improved property abutting such Waterway. Under no circumstances whatsoever shall the Waterways be used by any Owner, Member, tenants, invitees, and/or guests for recreational purposes including, without limitation, wading and/or swimming.

12.14 Reservation for Expansion. Grantor hereby reserves to itself and for Owners of Building Lots and Phases of the Property a perpetual easement and right-of-way for access over, upon, across and through the Property for construction, utilities, drainage, ingress and egress, and for use of Common Area for the expansion of Pinewood Lakes. The location of these easements and rights-of-way must be approved by the Master Association Board and may be documented by Grantor by recorded instruments.

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

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

12.17 Association's Responsibility. All Associations shall maintain and keep Common Area located within its respective Phase(s) in good repair, such maintenance to be funded as provided herein. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and Improvements situated within such Common Area.

ARTICLE XIII: IRRIGATION WATER

13.1 Irrigation System. Each Building Lot shall have access to a pressured irrigation water system ("**Irrigation System**") and irrigation water, when seasonally available, will be supplied through the Irrigation System. It is contemplated that Grantor shall construct the Irrigation System, and that Grantor may transfer the Irrigation System to the Master Association by describing such transfer on a recorded Plat, or granting or reserving the Irrigation System in a deed or other instrument, or in this Declaration or in any Supplemental Declaration. Payments for water use shall be made by the Master Association and all operation and maintenance costs of the Irrigation System shall be paid for and through Assessments. Use of and Assessments in connection with the Irrigation System shall be subject to such rules and regulations of the Master Association governing use of and Assessments in connection with the Irrigation System as may be adopted by such Association from time to time. Notwithstanding any other provision of this Declaration, if Grantor has transferred the Irrigation System to any Association, such Association shall have the right to transfer, sell or convey the Irrigation System to a public or private entity, conditioned only upon reasonable assurances that the Irrigation System will be owned, operated and maintained in a manner that will provide service from the Irrigation System to Owners on a continuing basis with quality of service equal to the Community-Wide Standard, and service that meets all applicable governmental laws, ordinances and regulations. For purposes of this Article, Grantor is hereby appointed and made attorney-in-fact for the Master Association, with full power of attorney to consummate any such transfer of the Irrigation System.

13.2 Non-Potable Water. The non-potable Irrigation System contains inherent dangers. Use of the Irrigation System shall be subject to such rules, regulations, laws and ordinances as may be adopted and amended from time to time, of the local jurisdiction, State of Idaho, and federal government, if any, and Master Association, governing the use of the Irrigation System including, without limitation, all requirements of the "**Idaho Rules for Public Drinking Water Systems**." Each Owner shall clearly mark every non-potable water tap on such Owner's Building Lot with a warning label or sticker, and shall maintain such label or sticker. No Owner, nor any other person claiming right under any Owner, shall cause or allow to be caused, any connection between the Domestic Water System and the Irrigation System. Cross-connections of any type or kind whatsoever between the non-potable Irrigation System and potable water lines are strictly prohibited.

13.3 Owner Responsibilities; Location of Lines. Each individual Building Lot will have a control valve on the pressurized irrigation system to allow irrigation water onto that individual Building Lot. Each Building Lot Owner shall be responsible for his own irrigation system on his own Building Lot downstream from the control valve (e.g., filters, screens, sprinkler lines and sprinkler heads). Each Owner shall install

a sufficient sand screen or similar filter set up to keep sand and other irrigation ditch debris out of the Owner's irrigation system. Each Owner shall clean and maintain their own screens and filter systems. Each Building Lot Owner shall use all reasonable efforts to conserve and not waste irrigation water. Any Owner damaging the main Irrigation System shall be responsible for all of the costs of that damage.

13.4 Water Unreliable. The area of the country where Pinewood Lakes is located is desert. Irrigation water is not always reliable and such water is not unlimited. Irrigation water may not be available due to, without limitation, drought, harsh weather conditions, government actions, system breakdowns, transmission failures, overuse by Building Lot Owners or any other causes. Each Owner assumes the risk of any water shortage, and in the event that there is a water shortage, each Owner must be prepared to use such Owner's domestic water supply.

13.5 Rotation. No Building Lot in this Subdivision shall have any right to, or assurance of, a continuous or unlimited supply of irrigation water from the Irrigation System. Nor is any Building Lot guaranteed enough water from the Irrigation System to irrigate all of the landscaping on the Building Lot. Each Building Lot shall be subject to, and each Building Lot Owner by accepting a deed to a Building Lot in Pinewood Lakes agrees to be bound by and to comply with, any rules or regulations which may be established for the use and rotation of irrigation water between the Building Lots by the Master Association. All Building Lot Owners and occupants shall follow said water rotation schedules and any rules promulgated relative to the use of irrigation water. Failure to adhere to the rotation schedule or rules may, following notice from the Board, result in suspension of the right to use irrigation water.

13.6 No Liability. Neither the Master Association nor the Grantor (or any members, employees, agents, officers or directors thereof) shall have any liability of any kind to any Owner, tenant, Association, member of the Association or any others for any losses or damages relating in any respect to the Irrigation System, or irrigation water, or the lack thereof, including but not limited to damages to, or loss of lawns, landscaping, trees, shrubs, gardens or the like caused by the lack of, or shortage of, irrigation water. Each Owner accepts the risk of loss or damage due to the unavailability, shortage or lack of irrigation water.

13.7 **WARNING! IRRIGATION WATER IS NOT DRINKABLE**

Notice is hereby given to each Owner in Pinewood Lakes that the water in the Irrigation System is NOT fit for human consumption. It contains untreated ditch or pond water, which may contain dirt, hazardous wastes or farm chemicals or disease-causing organisms. Drinking of the irrigation water may make a person sick, and could result in death or permanent disability.

NEVER DRINK WATER FROM THE PRESSURIZED IRRIGATION SYSTEM

It is the duty of each Owner to:

- (a) educate all family members, guests, tenants and invitees that the water from the Irrigation System is not drinkable;
- (b) ensure that ALL of the faucets and risers in the Irrigation System are adequately marked, and if not marked to check with the local health department to determine what type of markings are required by that health department or agency;
- (c) not remove any existing tags or other warning markers from the irrigation risers;
- (d) not install, or maintain the installation of, any cross connections between the Irrigation System and the drinking water system unless the cross connection has been approved in writing by the Association AND the supplier of the irrigation water AND the supplier of the drinking water AND the cross connection back flow prevention device meets all relevant governmental and building code requirements.

13.8 No Liability for Quality or Quantity of Water. Neither the Master Association nor the Grantor (or any members, employees, agents, officers, shareholders or directors thereof) shall have any liability of any kind to any Owner, Occupant, Association, and/or any others for any losses, damages, or bodily injuries relating in any respect to the quantity of water or the quality of the irrigation water, or the ingestion of, or contact with, the irrigation water. Each Owner, Occupant and Association accepts the risk of using the irrigation water and waives and releases any and all claims relating thereto.

13.9 Star Sewer District. A portion of Pinewood Lakes is located within 300 feet of the Star Sewer District's wastewater treatment plant and/or the Lawrence Kennedy Canal. Each Owner, by virtue of acceptance of a deed to a Building Lot in Pinewood Lakes, agrees that the Star Sewer District wastewater treatment plant shall continue to be operated, improved, and expanded and shall continue to discharge its treated wastewater effluent into the Lawrence Kennedy Canal as needed to meet present and future population needs as long as all operations, improvements, expansions and effluent discharges meet State of Idaho Department of Environmental Quality regulations, and the Lawrence Kennedy Canal will contain treated effluent meeting such regulations.

ARTICLE XIV: DAMAGE OR DESTRUCTION

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

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

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

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

14.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by an Association and the amounts received from the Special Assessments constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all cost of

such repair and reconstruction, such balance shall be distributed to Owners in proportion to the contributions each Owner made as a Special Assessment to the Association under this Article or, if no Special Assessments were made, in equal shares per Building Lot, first to the holders of the First Mortgage and then to Owners, as their interests appear.

14.6 Decision Not to Rebuild. If Owners representing at least sixty seven percent (67%) of the total allocated votes within the jurisdiction of an Association and sixty seven percent (67%) of the holders of a First Mortgage (based upon one vote for each mortgage owned) of the Building Lots agree in writing not to repair or reconstruct and no alternative Improvements are authorized, then and in that event the damaged Common Area shall be restored to its natural state and maintained as an undeveloped portion of Common Area by the appropriate Association in a neat and attractive condition, and any remaining insurance proceeds shall be distributed in equal shares per Building Lot, first to the holders of the First Mortgage and then Owners, as their interests appear.

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

ARTICLE XV: CONDEMNATION

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

15.2 Condemnation; Distribution of Award; Reconstruction. The award made for such partial or complete taking shall be payable to the appropriate Association as trustee for all Owners to be disbursed as follows: If the taking involves a portion of Common Area on which Improvements have been constructed, then, unless within sixty (60) days after such taking Grantor and Owners representing at least sixty seven percent (67%) of the Class B and C Members shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining land including in Common Area to the extent lands are available therefor, in accordance with plans approved by the Board and the Design Committee. If such Improvements are to be repaired or restored, the provisions in Article XIV regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Building Lot, first to the holders of any First Mortgage and then to Owners, as their interests appear.

ARTICLE XVI: RESOLUTIONS OF DISPUTES

16.1 Avoiding Costs of Litigation and Limiting Right to Litigate Disputes. All Associations, Grantor, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "**Bound Parties**") shall encourage the amicable resolution of disputes involving the Property, and avoid the emotional and financial costs of litigation if at all possible. Accordingly, all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Property, including, without limitation, claims, grievances or disputes arising out

of or relating to the interpretation, application or enforcement of this Declaration, the Project Documents, and/or the Association rules (collectively "**Claim**"), shall be subject to the procedures set forth herein.

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

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

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

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

16.2.3 Mediation. If the Parties do not resolve the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("**Termination of Negotiations**"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation under the auspices of Idaho law. If Claimant does not submit the Claim to mediation with thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

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

16.4 Enforcement of Resolution. If the Parties fail to abide by the terms of such mediation agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 16.2. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorney's fees and court costs.

ARTICLE XVII: ANNEXATION AND WITHDRAWAL OF PROPERTY

17.1 Annexation. Until all property described on **Exhibit A** has been subjected to this Declaration or December 31, 2023, whichever is earlier, Grantor may unilaterally subject to the provisions of this Declaration all or portions of the property described in **Exhibit A**. Grantor may transfer or assign this right to annex, provided that the transferee or assignee is the developer of at least a portion of the property described in **Exhibit A** and that such transfer is memorialized in a written, recorded instrument executed by Grantor. Nothing in this Declaration shall be construed to require Grantor or any successor to annex or develop any of the property set forth in **Exhibit A** in any manner whatsoever. Such annexation shall be accomplished by filing a Supplemental Declaration in the records of Ada County, Idaho, describing the property to be annexed and specifically subjecting such property to the terms of this Declaration. Such Supplemental Declaration shall not require the consent of voting Members, but shall require the consent of the owner of such property, if other than Grantor. Any such annexation shall be effective upon the recording of such Supplemental Declaration.

17.2 Additional Covenants and Easements. Grantor may unilaterally subject any portion of the Property submitted to this Declaration initially or by Supplemental Declaration to additional covenants and easements, including covenants obligating any Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration recorded either concurrently with or after the annexation of the such property, and shall require the written consent of the owner(s) of such property, if other than Grantor.

17.3 Contiguous Land Subject to Annexation. Grantor hereby reserves the right to annex any abutting, adjoining or contiguous real property, into Pinewood Lakes by recording a Notice of Annexation or Supplemental Declaration particularly describing the real property to be annexed and added to Pinewood Lakes created by this Declaration, pursuant to the provisions of this Article, and no Owner shall object or protest such annexation and/or development of such annexed property.

Upon the recording of a Notice of Annexation containing the provisions set forth in this Section (which Notice may be contained within a Supplemental Declaration affecting such property), except as may be provided for therein, the covenants, conditions and restrictions contained in this Declaration shall apply to the added land in the same manner as if it were originally covered by this Declaration and originally constituted a portion of Pinewood Lakes; and thereafter, the rights, privileges, duties and liabilities of the parties to this Declaration with respect to the added land shall be the same as with respect to the original land, and the rights, privileges, duties and liabilities of the Owners and Occupants of Building Lots within the added land shall be the same as in the case of the original land. Notwithstanding the foregoing, any Supplemental Declaration may provide a special procedure for amendment of any specified provision thereof, e.g., by a specified vote of only the owners of building lots within the area subject thereto. Any provision of a Supplemental Declaration for which no special amendment procedure is provided shall be subject to amendment in the manner provided in this Declaration.

17.4 Procedure for Annexation. Any of the above-described real property may be annexed into Pinewood Lakes by the recordation of a Notice of Annexation executed by Grantor and containing the following information:

- (a) A reference to this Declaration, which reference shall state the date of recordation hereof and the Recorder's instrument number or the book and page of the official records of Ada County where this Declaration is recorded;
- (b) An exact legal description of the added land;
- (c) A statement that the provisions of this Declaration shall apply to the added land, except as set forth therein; and

- (d) A statement of the use restrictions applicable to the annexed property, which restrictions may be the same or different from those set forth in this Declaration.

17.5 Deannexation. Grantor may delete all or a portion of the property described on **Exhibit A** and any annexed property from coverage of this Declaration and the jurisdiction of any Association, so long as Grantor is the owner of all such property and provided that a Notice of Deannexation is recorded in the Office of the Ada County Recorder in the same manner as a Notice of Annexation.

17.6 Amendment. This Article shall not be amended without the prior written consent of Grantor so long as Grantor owns any of the Property described in **Exhibit A**.

ARTICLE XVIII: MISCELLANEOUS

18.1 Term. The Restrictions created hereunder shall be perpetual, subject only to extinguishment by the holders of such Restrictions as provided by law. The Restrictions of this Declaration shall run until December 31, 2025, unless amended as herein provided. After December 31, 2025, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by Members holding at least a majority of the voting power of the Master Association and such written instrument is recorded with the Ada County Recorder's Office. Further provided that the Master Association shall not be dissolved without the prior written approval of the City of Boise and Ada County Highway District, such consent not to be unreasonably withheld provided that a responsible successor organization shall agree to perform those maintenance responsibilities arising from applicable city and county governmental requirements.

18.2 Amendment.

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

18.2.2 By Owners. Except as provided in Section 18.1, after the recordation of the first deed to a Building Lot, any amendment to any provision of the Declaration, other than to this Article, shall be by an instrument in writing signed and acknowledged by the president and secretary of the Master Association certifying and attesting that such amendment has been approved by the vote or written consent of Members representing at least two-thirds (2/3) of the total voting power in the Master Association, except where a greater percentage is required by express provision in this Declaration, and such amendment shall be effective upon its recordation with the Ada County Recorder's Office. Any amendment to this Article shall require the vote or written consent of Members representing ninety percent (90%) of the voting power of the Master Association.

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

18.3 Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat or render invalid the rights of the beneficiary under

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

18.4 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by facsimile or by U.S. Mail. If delivery is made by U.S. Mail, delivery shall be deemed to have been delivered seventy-two (72) hours after the same has been deposited in the United States Mail, first class, postage prepaid, addressed to any Person at the address given by such Person to the Master Association for the purpose of service of such notice, or to the residence of such Person if no address has been given to the Master Association or to the address of such Person as contained in the Ada County tax assessor's rolls. Such address may be changed from time to time by notice in writing to the Master Association.

18.5 Enforcement and Non-Waiver.

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

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

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

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

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

18.6 Use of Trade Name. Each Owner by acceptance of a deed for such Owner's Building Lot shall be deemed to acknowledge that "Pinewood Lakes" is or may become a servicemark, trade name and/or trademark of Pinewood Lakes, LLC, or its licensees, and to covenant that any such Owner shall not use the term Pinewood Lakes without the prior written permission of Pinewood Lakes, LLC, or its licensees.

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

18.7.1 Restrictions Construed Together. All of the provisions hereof shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the recitals of this Declaration.

18.7.2 Restrictions Severable. Notwithstanding the provisions of the foregoing Section 18.7.1, each of the provisions of this Declaration shall be deemed independent and

severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

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

18.7.4 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

18.8 Successors and Assigns. All references herein to Grantor, Owners, Members, any Association or Person shall be construed to include all successors, assigns, partners and authorized agents of such Grantor, Owners, Members, Association or Person.

18.9 Owners' Further Acknowledgments. By accepting a deed to any Building Lot(s) contained within the Property, each Owner acknowledges and agrees to the following:

- (a) that Owner has read and understands the Project Documents;
- (b) that certain portions of Pinewood Lakes may be utilized by the general public, including, without limitation, any paths established along irrigation ditches and specified as part of City of Star and/or Ada County future trail system;
- (c) that in order to receive approval to develop Pinewood Lakes, Grantor was required to obtain conditional use approval from Ada County and/or the City of Star, that through this process certain conditions of approval attached to the Pinewood Lakes development, and that Owner understands and will abide by all such conditions. All Owners acknowledge and agree that such Owners will contact Ada County and the City of Star for particulars;
- (d) that Owner understands that the property surrounding Pinewood Lakes may be included in future development plans by Grantor or other entities and acknowledges the right of such property to be developed in compliance with local, county, and State law;
- (e) that Owner recognizes Section 22-4503 of Idaho Code that states: "No agricultural operation or appurtenance to it shall be or become a nuisance, private or public, by any changed conditions in or about the surrounding nonagricultural activities after the same has been in operation for more than one (1) year, when the operation was not a nuisance at the time the operation began; provided, that the provisions of this section shall not apply whenever a nuisance results from the improper or negligent operation of any agricultural operation or appurtenance to it";
- (f) that Owner acknowledges that property in the vicinity of Pinewood Lakes may be developed for other than residential uses;
- (g) that Owner acknowledges that a pump station for the Star Sewer and Water District is located within an easement on the Property;
- (h) that Owner acknowledges the location of the Star Sewer and Water District treatment facility is adjacent to the property;

- (i) that Owner acknowledges the right of the Star Sewer and Water District to discharge effluent into the Lawrence Kennedy Canal; and
- (j) that Owner has accepted title to the Building Lot(s) after conducting all necessary inquiries and due diligence, and that Owner takes such Building Lot(s) "as is," without any express or implied warranty from Grantor.

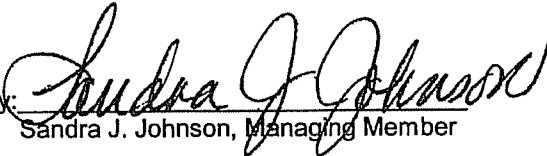
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IN WITNESS WHEREOF, the undersigned have duly executed this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes effective this 31st day of October, 2005.

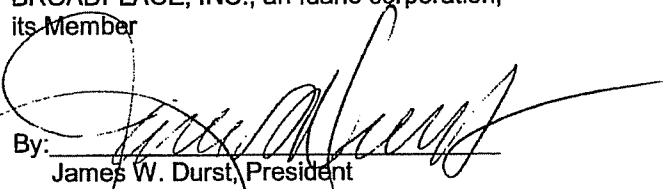
GRANTOR:

PINEWOOD LAKES, LLC, an Idaho limited liability company

By: DEVELOPMENT MANAGEMENT SERVICES, LLC, an Idaho limited liability company, its Member

By: 
Sandra J. Johnson, Managing Member

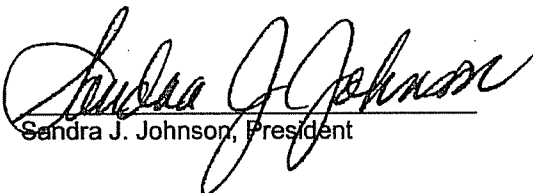
By: BROADPLACE, INC., an Idaho corporation, its Member


By: 
James W. Durst, President

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes was duly approved by the vote or written consent of members representing at least two-thirds (2/3) of the total voting power of the Master Association.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed their hands and attest the act of the Master Association effective this 31 day of October 2005.

PINEWOOD LAKES COMMUNITY ASSOCIATION, INC., an Idaho non-profit corporation

By: 
Sandra J. Johnson, President

By: 
Kelly Pulfer, Secretary

STATE OF IDAHO)
) ss.
County of Ada)

On this 31st day of October, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared SANDRA J. JOHNSON, known or identified to me to be the Managing Member of DEVELOPMENT MANAGEMENT SERVICES, LLC, the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such company executed the same.

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

Teresa Ceniga
Notary Public for Idaho
Residing at Boise, Idaho
My commission expires: 4-24-09



^{NEW MEXICO}
STATE OF IDAHO)
) ss.
County of BERNALILLO

On this 26th day of OCTOBER, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared JAMES W. DURST, known or identified to me to be the President of BROADPLACE, INC., an Idaho corporation, the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



JANIS E. LOWDER
NOTARY PUBLIC-STATE OF NEW MEXICO
Notary Public for Idaho, ^{NEW MEXICO}
Residing at ALBUQUERQUE
My commission expires: 5-28-09 My commission expires: MAY 28, 2009

STATE OF IDAHO)
) ss.
County of Ada

On this 31st day of October, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared SANDRA J. JOHNSON and KELLY FULFER, known or identified to me to be the President and Secretary of PINWOOD LAKES COMMUNITY ASSOCIATION, INC., an Idaho non-profit corporation., the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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

Teresa Ceniga
Notary Public for Idaho
Residing at Boise, Idaho
My commission expires: 4-24-09

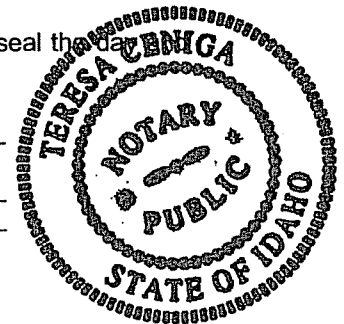


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PINEWOOD LAKE ESTATES/PINEWOOD LAKES EAST

A parcel of land located in the East ½ of the Northwest ¼ and the West ½ of the Northeast ¼ of Section 18, T.4N., R.1W., B.M., Ada County, Idaho, more particularly described as follows: **BEGINNING** at the ¼ corner common to Section 7 and the said Section 18, from which the northwest corner of said Section 18 bears North 88°25'08" West, 2504.52 feet;

Thence along the North-South mid-section line South 00°16'25" West, 1321.98 feet to the C-N 1/16 corner;

Thence along the North boundary of the SW1/4 of the NE1/4 South 88°13'58" East, 1259.91 feet;

Thence North 00°45'06" East, 1278.87 feet to a point on the southerly right-of-way of State Highway 44;

Thence along said right-of-way North 86°59'03" East, 49.61 feet;

Thence departing said right-of-way along the East boundary of the NW1/4 of the NE1/4 South 00°45'06" West, 1283.01 feet to the NE1/16 corner;

Thence South 00°10'51" West, 1319.60 feet to the C-E 1/16 corner;

Thence North 82°15'33" West, 240.03 feet;

Thence North 85°59'44" West, 1019.67 feet;

Thence South 43°58'20" East, 95.98 feet to a point on the East-West mid-section line;

Thence North 88°20'20" West, 122.61 feet to the center of Section 18;

Thence continuing North 88°20'20" West, 1309.07 feet to the C-W 1/16 corner;

Thence North 00°25'33" East, 2641.97 feet to the West 1/16 corner common to said Sections 7 and 18;

Thence South 88°25'08" East, 1302.01 feet to the Point of Beginning. Containing 119.23 acres, more or less.

AND INCLUDING:

That portion of the Northwest 1/4 of the Northeast 1/4 of Section 18, Township 4 North, Range 1 West, Boise Meridian, Star, Ada County, Idaho and being more particularly described as follows:

Commencing at the North 1/4 corner of said Section 18 from which the Northeast corner of said Section 18 bears South 88°15'40" East, 2640.56 feet; Thence along the westerly boundary line of said Northwest 1/4 of the Northeast 1/4 and the easterly boundary line of Pinewood Lakes Phase 1 Subdivision South 00°16'25" West, 6.45 feet to a point on the curved southerly right-of-way line of State Highway 44, said point also being the **REAL POINT OF BEGINNING**;

Thence along said southerly right-of-way line and the arc of a curve to the left 614.53 feet, said curve having a radius of 11,519.16 feet, a central angle of 3°03'24" and a long chord of 614.46 feet which bears South 84°27'12" East;

Thence leaving said right-of-way line South 00°16'26" West, 493.33 feet;

Thence South 88°15'39" East and along the South boundary of Ingles Subdivision, as same is recorded in book 91 of Plats at Page 18786, records of Ada County, Idaho, 654.36 feet to the Southeast corner of said subdivision;

Thence along the East boundary of said subdivision North 00°45'06" East, 497.01 feet to a point on the southerly right-of-way line of said State Highway 44;

Thence along said right-of-way line North 86°59'03" East, 49.61 feet to a point on the easterly boundary line of said Northwest 1/4 of the Northeast 1/4;

Thence leaving said right-of-way line and along said easterly boundary line South 00°45'06" West, 1267.48 feet;

Thence leaving said easterly boundary line and along the following seventeen (17) courses and distances:

North 89°49'09" West, 350.02 feet;
South 75°32'17" West, 20.00 feet;
North 14°27'43" West, 34.20 feet;
South 75°32'17" West, 155.00 feet;
South 14°27'43" East, 25.86 feet;
South 75°32'17" West, 105.00 feet;
North 14°27'39" West, 55.76 feet;
South 75°32'17" West, 50.00 feet;
South 85°26'00" West, 99.64 feet;
North 08°18'39" West, 30.41 feet;
North 88°15'05" West, 101.92 feet;
South 13°29'49" East, 17.47 feet;
South 76°30'11" West, 50.00 feet;
North 88°15'05" West, 107.44 feet;
North 01°59'14" East, 10.00 feet;
North 87°59'11" West, 99.87 feet;
South 82°29'10" West, 50.00 feet;

Thence North 07°30'50" West, 34.07 feet to a point on the southerly boundary line of said Northwest 1/4 of the Northeast 1/4;

Thence along said southerly boundary line North 88°13'58" West, 112.47 feet to the C-N 1/16 corner;

Thence along the easterly boundary of Pinewood Lakes Subdivision Phase 3 and pinewood Lakes Subdivision Phase 1, as same are recorded in Book 92 of Plats at Page 11027, and Book 87 of Plats at Page 9974, respectively, records of Ada County, Idaho, North 00°16'25" East, 1315.53 feet to the Point of Beginning. Containing 31.61 acres, more or less.

EXHIBIT B

HOMEBUILDERS AND HOMEOWNERS DRAINAGE AND LANDSCAPE RECOMMENDATIONS

Bob J. Arnold, PE

Civil Engineering
Geotechnical Engineering
Materials Testing & Inspection Services

208-440-6276 * Fax 208-323-7866 * blamoldpe@msn.com

HOMEBUILDERS RECOMMENDATIONS

Pinewood Lake Estates

- Low-density foundation backfill has been shown to be a major contributing factor to water accumulating in crawlspaces throughout the Treasure Valley. Homebuilders are encouraged to properly backfill all foundations. This is especially critical on lots where structural fills have been placed below the foundation.
- To prevent water migration through the construction joint, it is recommended that the construction joint between the footing and the stem wall be sealed with asphalt-based mastic.
- Soils excessively large cobble or insufficient fine to fill all voids are not recommended for backfill. The use of these materials may result in voids or flow paths allowing surface water to enter the crawlspace.
- Foundation elevation and site grading must promote drainage away from the foundation. Unless the local code is more stringent, a minimum of TWO percent slope for the first ten feet from the residence is recommended.
- Roof gutters are recommended with down spouts directed away from foundations and not on to foundation backfill soils. Underground piping that carries water away from the foundation is acceptable.
- Landscaping should be designed to promote drainage away from foundations. Flowerbeds and landscaped areas must be designed such that irrigation water and roof runoff is not retained against foundations.
- This subdivision is located within the Treasure (Boise) Valley of Southwestern Idaho. This is a high desert region with minimal annual rainfall. The proper selection of grasses, bushes, and trees that thrive in such conditions will also prevent over application of irrigation water.
- Proper design and maintenance of sprinkler systems is required. Excessive watering may lead to water entering the crawl space. Drip type sprinkler heads should be used in flowerbeds near foundations. Lawn area sprinklers should not spray toward foundations or cause water to accumulate near foundations.
- Side lots between houses must provide for adequate drainage of both lots. Fences and borders should not restrict the overland flow of storm runoff.
- This information has been prepared based upon information generated to provide specific design information to the developer and the civil engineering consultant. The research performed was not intended to act as any contractors "Due Diligence" or subsurface inspection prior to construction. Nor are these recommendations intended to relieve homebuilders of any building code requirement for subsurface investigation prior to construction.

NOTHING FOLLOWS

8518 North Fivemile Road

Boise, Idaho 83713

Bob J. Arnold, PE

Civil Engineering
Geotechnical Engineering
Materials Testing & Inspection Services

208-440-6276 * Fax 208-323-7866 * bjarnoldpe@msn.com

**HOMEOWNER RECOMMENDATIONS
Pinewood Lake Estates**

- Foundation elevation and site grading have been constructed to promote drainage away from the foundation. After landscaping is completed, the final completed grading must also promote drainage away from the foundation. Modification of the grading near the residence may result in water entering the crawlspace.
- Roof gutters with down spouts have been installed that direct storm water away from foundations and not on to foundation backfill soils. Modification of these downspouts is not advisable without a plan to move storm water away from the foundation.
- This subdivision is located within the Treasure (Boise) Valley of Southwestern Idaho. This is a high desert region with minimal annual rainfall. The proper selection of grasses, bushes, and trees that thrive in such conditions will also prevent over application of irrigation water.
- Landscaping should be designed to promote drainage away from foundations. Flowerbeds and landscaped areas must be designed such that irrigation water and roof runoff is not retained against foundations.
- Proper design and maintenance of sprinkler systems is required. Excessive watering may lead to water entering the crawl space or basement. Drip type sprinkler heads should be used in flowerbeds near foundations. Lawn area sprinklers should not spray toward foundations or cause water to accumulate near foundations.
- Over application of irrigation water is the single largest factor contributing to water accumulating in crawlspaces. After occupancy, the settings for any automatic sprinkler system should be reviewed and adjusted to apply the minimum amount of water required for landscaping maintenance. It is recommended that the local water company or a lawn expert be consulted about the amount of water required.
- Side lots between houses must provide for adequate drainage of both lots. Fences and borders should not restrict the overland flow of storm runoff.
- NOTHING FOLLOWS

8518 North Fiverville Road

Boise, Idaho 83713

EXHIBIT C

DECLARATION OF FLOOD WATER STORAGE

ADA COUNTY RECORDER J. DAVID NAVARRO
BOISE IDAHO 10/13/03 03:24 PM
DEPUTY Jeanne Harper
RECORDED - REQUEST OF
SPINK BUTLER CLAPP
AMOUNT \$K.00



After recording
return to:

JoAnn C. Butler
Spink Butler Clapp, LLP
PO Box 639
Boise, ID 83701

FOR RECORDING INFORMATION

DECLARATION OF FLOOD WATER STORAGE

This Declaration of Flood Water Storage (this "Declaration") is made this 21st day of October, 2003, by Pinewood Lakes, LLC, an Idaho limited liability company ("Pinewood Lakes"), whose address is P. O. Box 388, Star, Idaho 83669, and The Dean E. Sorensen, M.D., P.A., Employees Pension Benefit Plan ("Sorensen"), whose address is 1423 Tyrall Lane, Boise, Idaho 83706. Pinewood Lakes and Sorensen are collectively referred to herein as "Declarant."

RECITALS:

- A. On November 18, 2002, the Star City Council approved a conditional use permit for a planned unit development and the preliminary plat for that certain development commonly known as Pinewood Lakes Estates Subdivision (the "Subdivision"), more particularly described in City of Star file PUD-02-01.
- B. Pinewood Lakes owns a portion of the Subdivision and has an option to purchase that portion of the Subdivision currently owned by Sorensen.
- C. The Subdivision has been planned to be developed in phases by Pinewood Lakes. The final plat for the first phase of the Subdivision was approved on June 3, 2003 ("Phase 1").
- D. As part of the approval of the Subdivision and Phase 1, the City of Star required that the Subdivision "will meet a minimum requirement of 50% of the total no net loss of flood water storage upon completion of the development."
- E. To accomplish such flood water storage, the Subdivision has been designed with three flood water impoundment lakes, which lakes are more particularly described on Exhibit A, attached hereto and made a part hereof (the "Storage Areas").
- F. The Storage Areas will serve to store flood water for Phase 1 and the remainder of the Subdivision and are being constructed concurrently with the development of Phase 1. The Storage Areas are located in the Subdivision but are not located in Phase 1.
- G. Because the Storage Areas are located outside of Phase 1 and will not be depicted on the recorded final plat for Phase 1 and identified as dedicated to serve Phase 1, the City of Star has required that Declarant dedicate the Storage Areas to serve the Subdivision all as more fully provided in this Declaration.

DECLARATION OF FLOOD WATER STORAGE - 1
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H. The final plat of each phase of the Subdivision in which the Storage Areas are partially or wholly located will identify the Storage Areas as serving to store flood water for the Subdivision as a whole.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the recitals above which are incorporated below, and in consideration of the premises and undertakings hereinafter contained, Declarant declares and grants as follows:


1. Declarant hereby declares that the Storage Areas are or will be developed to serve as flood water storage in connection with the Subdivision, including Phase 1.
2. Pinewood Lakes shall have the right to relocate and/or reconfigure all or a portion of the Storage Areas, with the reasonable approval of the City of Star and reasonable approval of Sorenson, provided that such relocation and/or reconfiguration of the Storage Areas continue to meet a minimum requirement of 50% of the total no net loss of flood water storage upon completion of the Subdivision.
3. Upon the recordation of the final plat for the final phase of the Subdivision, this Declaration shall automatically terminate and be of no further force and effect. Upon recordation of the final plat for the final phase of the Subdivision, Pinewood Lakes may terminate this Declaration by recording a release in recordable form whereupon this Declaration shall terminate.
4. Whenever a transfer of ownership of the Storage Areas occurs, to the extent of the portion transferred, the liability hereunder of the transferor for breach of obligations occurring thereafter automatically shall terminate and the transferee shall become liable for the obligations herein provided from and after such transfer of ownership.
5. If any term or provision of this Declaration, to any extent, shall be held invalid or unenforceable, the remaining terms and provisions hereof shall not be affected thereby, but each such remaining term and provision shall be valid and enforced to the fullest extent permitted by law.
6. This Declaration shall be construed and enforced in accordance with the laws in the State of Idaho.

IN WITNESS WHEREOF, the parties hereto, having been duly authorized and intending to be legally bound hereby, have caused this Declaration of Flood Water Storage to be duly executed the day and year first above written.

PINEWOOD LAKES:

PINEWOOD LAKES, LLC, an Idaho
limited liability company

By: DEVELOPMENT MANAGEMENT SERVICES, LLC,
an Idaho limited liability company, its Member

By: 
Sandra J. Johnson, Managing Member

DECLARATION OF FLOOD WATER STORAGE - 2
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By: BLACKHAWK INVESTMENTS, LLC.
a New Mexico limited liability company, its Member

By: [Signature]
James W. Durst, Manager

SORENSEN:

THE DEAN E. SORENSEN, M.D., P.A., EMPLOYEES PENSION
BENEFIT PLAN

By: [Signature]
Dean E. Sorenson, Trustee

STATE OF IDAHO

County of Ada

} ss.

On this 31st day of OCTOBER, 2003, before me, the undersigned, a Notary Public in and for said State, personally appeared SANDRA J. JOHNSON, known or identified to me to be the Managing Member of DEVELOPMENT MANAGEMENT SERVICES, LLC, the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such company executed the same.

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



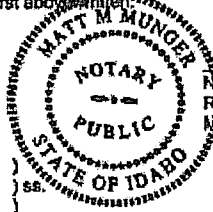
[Signature]
Notary Public for Idaho
Residing at Boise, Id.
My commission expires: 9/12/09

DECLARATION OF FLOOD WATER STORAGE - 3
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STATE OF IDAHO)
County of Ada) ss.

On this 31st day of October, 2003, before me, the undersigned, a Notary Public in and for said State, personally appeared JAMES W. DURST, known or identified to me to be the Managing Member of BLACKHAWK INVESTMENTS, LLC, the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such company executed the same.

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

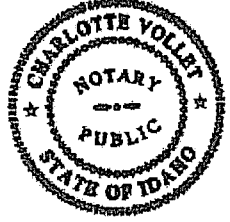


[Signature]
Notary Public for Idaho
Residing at Boise Idaho
My commission expires: 9/12/07

STATE OF IDAHO)
County of Ada) ss.

On this 29th day of October, 2003, before me, a Notary Public in and for said State, personally appeared DEAN E. SORENSEN, Trustee of The Dean E. Sorensen, M.D., P.A., Employees Pension Benefit Plan, the entity that executed the instrument or the person who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

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



Charlotte Vollet
Notary Public for Idaho
Residing at Boise, ID
My commission expires: 2/19/08



**After Recording
Return to:**

**JoAnn C. Butler
Spink Butler, LLP
P.O. Box 639
Boise, ID 83701**

FOR RECORDING INFORMATION

**AMENDMENT
TO
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PINWOOD LAKES**

This Amendment to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes (this "**Amendment**") is made this 8th day of August, 2006, by Pinewood Lakes, LLC, an Idaho limited liability company ("**Grantor**") and by Pinewood Lakes Community Association, Inc., an Idaho nonprofit corporation ("**Master Association**").

RECITALS

A. Grantor is the owner of, or has an interest in, certain real property located in Ada County, Idaho, more commonly known as Pinewood Lakes and more particularly described in that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes, which Grantor caused to be recorded in Ada County, Idaho on November 2, 2005 as Instrument Number 105165858 (the "**Property**") (the "**Original Declaration**"), as supplemented by that certain First Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes, which Grantor caused to be recorded in Ada County, Idaho on January 14, 2004, as Instrument No. 104004609 (the "**First Supplement**"), as further supplemented by that certain Second Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes, which Grantor caused to be recorded in Ada County, Idaho on July 27, 2005, as Instrument No. 105102692 (the "**Second Supplement**"), as further supplemented by that certain The Reserve Third Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes, which Grantor caused to be recorded in Ada County, Idaho on November 2, 2005, as Instrument No. 105165860 (the "**Third Supplement**"), and as further supplemented by that certain Fourth Supplement to Declaration of Covenants, Conditions and Restrictions for Pinewood Lakes, which Grantor caused to be recorded in Ada County, Idaho on _____ as Instrument No. _____ (the "**Fourth Supplement**"). The Original Declaration, the First Supplement, the Second Supplement, the Third Supplement, and the Fourth Supplement are collectively referred to herein as the "**Master Declaration**."

B. The Master Association was formed on May 7, 2003 and has an interest in a portion of the Property.

C. Pursuant to Section 18.2.2 of the Master Declaration, the Master Declaration may be amended by an instrument in writing signed and acknowledged by the president and secretary of the Master Association certifying and attesting that such amendment has been approved by the vote or written consent of members representing at least two-thirds (2/3) of the total voting power in the Master Association.

D. Grantor and Master Association now desire to amend the Master Declaration as set forth herein.

NOW THEREFORE, Grantor and Master Association hereby amend the Master Declaration as follows:

1. **Amendment.** Section 4.21 of the Master Declaration is hereby deleted in its entirety and the following is substituted therefor:

4.21 **Leasing.** The Owner of a Building Lot shall have the right to lease such Building Lot and residential structure thereon, subject to the following conditions: (1) all leases shall be in writing; (2) such lease shall be specifically subject to the Project Documents, and any failure of a tenant to comply with the Project Documents shall be a default under the lease; (3) the Owner shall be liable for any violation of the Project Documents committed by the tenant of such Owner, without prejudice to the Owner's right to collect any sums from such tenant paid by the Owner on behalf of the tenant; (4) the Owner shall maintain commercially reasonable amounts of personal liability and property damage insurance on such Owner's Building Lot; (5) prior to such leasing the Owner shall execute and deliver to the Master Association a Waiver and Hold-Harmless Agreement, substantially in the form attached hereto as **Exhibit A** and made a part hereof; and (6) the Owner who leases such Owner's Building Lot shall be deemed to consent to the Master Association, and the Local Association, if applicable, commencing and maintaining any actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or the Articles or the Bylaws, including the Association Rules adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof in connection with such Owner's tenant and/or such Owner's Building Lot.

2. **Miscellaneous.** The terms, covenants, conditions, and restrictions set forth herein: shall run with the land constituting the Property, and with each estate therein, and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; shall inure to the benefit of every lot, parcel or portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon Grantor, Grantor's successors in interest, the Master Association, and each grantee or Owner and such grantee's or Owner's respective successors in interest, and may be enforced by Grantor, by any Owner or such Owner's successors in interest, or by the Master Association.

3. **Defined Terms.** Capitalized terms used but not defined herein shall have the same meaning as found in the Master Declaration.

4. **Effect Upon Recording.** Upon the recording hereof, the terms and provisions set forth in the Master Declaration shall be amended and supplemented by the terms hereof. If there is any conflict between the terms of this Amendment and the Master Declaration, this Amendment shall control.

5. **Certification by Master Association.** The president and secretary of the Master Association hereby certify and attest that this Amendment to the Master Declaration has been approved by the vote of the Members representing more than two-thirds (2/3) of the total voting power in the Master Association at the Special Meeting of Members held on August 8, 2006.

IN WITNESS WHEREOF, Grantor and the Master Association have set their hands the day and year first above written.

GRANTOR:

PINEWOOD LAKES, LLC,
an Idaho limited liability company

By: BLACK GOLD, INC.
an Idaho corporation, its Member

By: *Sandra J. Johnson*
Sandra J. Johnson, President

By: BROADPLAGE, INC.,
an Idaho corporation, its Member

By: *James W. Durst*
James W. Durst, President

MASTER ASSOCIATION:

PINEWOOD LAKES COMMUNITY ASSOCIATION, INC.,
an Idaho nonprofit corporation

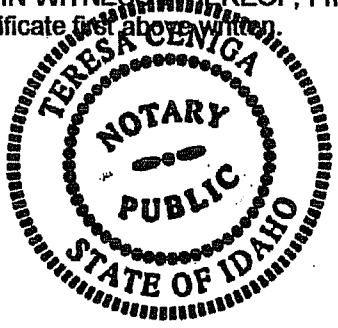
By: *Sandra J. Johnson*
Sandra J. Johnson, President

By: *Kelly Fulfer*
Kelly Fulfer, Secretary

STATE OF IDAHO)
) ss.
County of Ada)

On this 8 day of August, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared SANDRA J. JOHNSON, known or identified to me to be the President of BLACK GOLD, INC., the corporation that executed the instrument or the person who executed the instrument on behalf of PINEWOOD LAKES, LLC, said limited liability company, and acknowledged to me that such company executed the same.

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

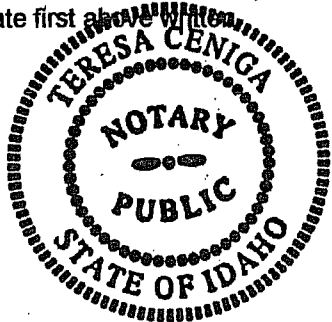


Teresa Ceniga
Notary Public for Idaho
Residing at Boise
My commission expires: 4-24-09

STATE OF IDAHO)
) ss.
County of Ada)

On this 8 day of August, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared JAMES W. DURST, known or identified to me to be the President of BROADPLACE, INC., the corporation that executed the instrument or the person who executed the instrument on behalf of BROADPLACE, INC., and acknowledged to me that such company executed the same.

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

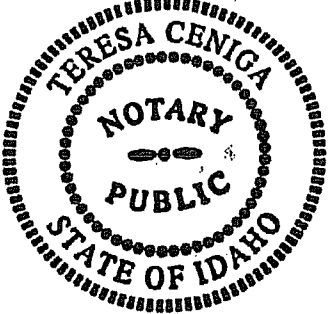


Teresa Ceniga
Notary Public for Idaho
Residing at Boise
My commission expires: 4-24-09

STATE OF IDAHO)
) ss.
County of Ada)

On this 8 day of August, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared SANDRA J. JOHNSON, and KELLY FULFER known or identified to me to be the President and Secretary of PINEWOOD LAKES COMMUNITY ASSOCIATION, INC., the nonprofit corporation that executed the instrument or the person who executed the instrument on behalf of said nonprofit corporation, and acknowledged to me that such nonprofit corporation executed the same.

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



Teresa Ceniga
Notary Public for Idaho
Residing at Boise
My commission expires: 4-24-09

EXHIBIT A

WAIVER AND HOLD-HARMLESS AGREEMENT

The undersigned Member ("Member") of Pinewood Lakes Community Association, Inc., an Idaho nonprofit corporation ("Master Association") and Member's Lessee ("Tenant") hereby acknowledge and agree to the following terms and conditions of use of the Pinewood Lakes Community Association's pool and cabana area, park and playground equipment, walkways, waterways, and all other common areas within any phase of Pinewood Lakes Subdivision ("Common Area"):

Tenant, on behalf of himself or herself, and Tenant's family and guests, hereby assumes all risk of damage to persons and property arising out of or during any use of Common Area. Additionally, Tenant (on his or her behalf and on behalf of Tenant's family and guests) hereby agrees to release, indemnify and hold harmless Master Association, its officers, directors, employees and agents, past, present, and future, from and against all suits, actions, damages, liability and expense in connection with loss of life, bodily or personal injury, and/or property damage arising out of any use of Common Area by Tenant and/or Tenant's family or guests.

Member has obtained commercially reasonable amounts of personal liability and property damage insurance.

FURTHERMORE, Member shall notify the Master Association Manager of any change in Member's tenants and deliver a signed Waiver and Hold-Harmless Agreement for each new tenant within 10 days of occupancy by such new tenant.

Member of Master Association

Date

Tenant

Date