

BLAINE COUNTY RECORDS  
OF: SAWTOOTH TRACT

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NOTICE OF ADDITION OF TERRITORY MARY GREEN CLERK  
AND SUPPLEMENTAL DECLARATION OF FEES \$ 78<sup>00</sup>  
COVENANTS, CONDITIONS AND RESTRICTIONS FOR *Supp*  
SAGEWILLOW HOMEOWNERS ASSOCIATION *CC & R's*

THIS NOTICE of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions for Sagewillow Homeowners Association is made this 7<sup>th</sup> day of February, 1995 by Sagewillow, Inc. ("Declarant").

WHEREAS, Declarant, Sagewillow, Inc., is the owner of certain Real Property located in the City of Sun Valley, County of Blaine, State of Idaho and more particularly described in Exhibit "A", attached hereto and incorporated herein by reference ("Real Property").

WHEREAS, Declarant intends to develop the Real Property subject to the Master Declaration of Covenants, Conditions and Restrictions of Elkhorn at Sun Valley, dated March 22, 1972 and recorded March 24, 1972 as Instrument No. 142929, records of Blaine County Idaho, as amended ("Elkhorn Master Declaration"), and subject to this Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions for Sagewillow Homeowners Association ("Declaration").

NOW, THEREFORE, Declarant hereby declares that the Real Property is and shall be held, conveyed, encumbered, leased and used subject to the Elkhorn Master Declaration and this Declaration in furtherance of a plan for the subdivision, improvement and sale of the Real Property and to enhance the value, desirability and attractiveness of such Real Property. The restrictions set forth in the Elkhorn Master Declaration and this Declaration shall run with the Real Property described herein; shall be binding upon all persons having or acquiring any interest in such Real Property or any part thereof; shall inure to the benefit of every portion of such Real Property and shall inure to the benefit of and be binding upon Declarant, its successors and assigns; and may be enforced by Declarant, its successors, any Owner or any Owner's successors.

I. DEFINITIONS.

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meaning hereinafter specified.

Articles shall mean the Articles of Incorporation of the Sagewillow Homeowners Association, Inc., which have been filed with the Office of the Secretary of State of the State of Idaho.

Assessments shall mean assessments of the Association and includes both regular and special assessments.

Association shall mean the Sagewillow Homeowners Association, Inc., an Idaho nonprofit corporation, or any successors.

Association Property shall mean all real and personal property now or hereafter owned by or leased to the Association.

Association Rules shall mean any rules, including Design Committee Rules, adopted by the Board of Directors of the Association, as amended.

Board shall mean the Board of Directors of the Association.

Bylaws shall mean the Bylaws of the Association which have been or shall be adopted by the Board.

Declarant shall mean Sagewillow, Inc., a Nevada corporation authorized to do business in Idaho, or any successors.

Declaration shall mean this Declaration of Covenants, Conditions and Restrictions, as may be amended from time to time. Declaration shall include this Declaration together with any and all Supplemental Declarations which may be recorded by Declarant or its successors.

Design Committee shall mean the committee created pursuant to Article X hereof.

Design Committee Rules shall mean any rules adopted by the Board to govern the review of construction, alteration, installation or placement of any Improvement on any Lot or other parcel of real property controlled by this Declaration.

Elkhorn Master Association shall mean the Sun Valley Elkhorn Association, Inc., an Idaho nonprofit corporation, or any successors.

Elkhorn Master Declaration shall mean the Master Declaration of Covenants, Conditions and Restrictions of Elkhorn at Sun Valley, dated March 22, 1972 and recorded as Instrument No. 142929, records of Blaine county, Idaho, as amended.

Elkhorn Master Association Rules shall mean the rules adopted by the Board of Directors of the Elkhorn Master Association, as amended.

**Improvements** shall mean all structures and appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, solar equipment, antennae, satellite dishes, recreational structures and equipment, swimming pools and light fixtures or structures.

**Lot** shall mean Lots 1 through 22, as shown on the Sagewillow Subdivision Plat finally recorded with the Blaine County Recorder, Blaine County, Idaho, whether or not improved. Lot shall not include any other areas shown on the Sagewillow Subdivision, including any Common Areas, Public Areas or Open Space Areas.

**Member** shall mean any person who is a member of the Association.

**Notice and Hearing** shall mean no less than ten (10) days written notice and a hearing before the Board or its duly designated committee at which the Owner concerned shall have an opportunity to be heard in person or with counsel at the Owner's expense.

**Owner** shall mean (1) the Person or Persons, including Declarant, holding an aggregate fee simple interest in a Lot or (2) the purchaser of a Lot under a recorded executory contract of sale. An Owner shall not include any Person holding an interest merely as security for the performance of an obligation.

**Person** shall mean a natural person, corporation, limited liability company, partnership, trust or other legal entity.

**Supplemental Declaration** shall mean any declaration of covenants, conditions and restrictions which may be recorded by Declarant or its successors in accordance with this Declaration.

## **II. REAL PROPERTY SUBJECT TO DECLARATION AND CLASSIFICATIONS.**

The Real Property subject to this Declaration and the classification of such Real Property, pursuant to the terms and provisions of the Elkhorn Master Declaration, are as set forth in this Article.

**A. Residential Area.** The residential Lots, shown as Lots 1 through 22 on the Sagewillow Subdivision Plat, shall be classified as Residential Area and used for residential purposes as set forth in Article V herein.

**B. Residential Common Areas.** The road rights of way, named Arrowleaf Road and Sagewillow Road, shown as Parcels C and G on the Sagewillow Subdivision Plat, shall be classified as Residential Common Areas and are private roads to be owned by the Association and shall be used for those purposes as set forth in Article V herein

C. Open Space Areas. The property, shown as Parcels E, H, D, I and F on the Sagewillow Subdivision Plat, shall be classified as Open Space Areas and are Areas to be owned by the Association and shall be used for those purposes as set forth in Article VI herein.

D. Commercial Areas or Public Areas. The property, shown as Parcels J and K on the Sagewillow Subdivision Plat, shall be classified as Commercial Areas and are to be owned by the Sun Valley Water and Sewer District and shall be subject to this Declaration as set forth in Article VI herein. Such Parcels may be also referred to herein as "Public Areas."

### III. PROPERTY EXCLUDED FROM DECLARATION.

The real property which shall be expressly excluded from all provisions of this Declaration is described as follows. Neither of these Areas is described in the legal description attached hereto nor is encumbered in any manner by this Declaration.

A. Horse Operation Area. The Horse Operation Area, shown as Parcels A and B on the Sagewillow Subdivision Plat, are Parcels used in Declarant's commercial horse operation. The horse operation includes but is not limited to horse shows and competitions, breeding, boarding, selling, training and riding horses in and around the Horse Operation Area. Nothing in this Declaration shall restrict Declarant from continuing to operate its horse operation or from modifying its operation in any respect. Nothing in this Declaration shall restrict Declarant or any future owner from seeking a change in zoning of these Parcels, from subdividing these Parcels or from otherwise developing these Parcels according to the zoning thereon. Declarant reserves the right, in Declarant's sole discretion, to convey these Parcels to the Association and subject to this Declaration.

B. Undeveloped Multifamily Residential Area. The Undeveloped Multifamily Residential Area, shown as Parcel L on the Sagewillow Subdivision Plat, is an undeveloped Parcel zoned for multifamily residential development. At the date of recording this Declaration, the zoning on this Parcel is RM-1 under the City of Sun Valley zoning ordinance. This Parcel will be developed in the future. Nothing in this Declaration shall restrict Declarant or any future owner of this Parcel from seeking a change in the zoning of this Parcel, from subdividing this Parcel or from otherwise developing this Parcel according to its zoning. Declarant reserves the right, in Declarant's sole discretion, to convey this Parcel to the Association and subject to this Declaration.

### IV. GENERAL RESTRICTIONS.

The Real Property subject to this Declaration shall be held, used and enjoyed subject to the following restrictions and limitations:

A. No Further Subdividing. No Lot or any other Area may be further subdivided. No easement or any other interest in any Lot or other Area less than the whole may be conveyed

without the prior written consent of the Board; provided, however, that nothing herein shall be deemed to prevent or require the approval of the Board for the sale, exchange or other conveyance of the entire interest in any Lot or the sale, transfer or other conveyance of any Lot to more than one person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property.

**B. Animals.** No animals of any kind shall be raised, kept or bred, except for dogs, cats and other reasonable household pets, provided they are not raised, kept or bred for commercial purposes. No horses shall be raised, kept or allowed on any Lot. Horses shall not be raised or kept on any Open Space Area.

**C. No Harassment of Horses or Wildlife.** No dogs or other pets shall be allowed to annoy, frighten or harass any horses or individuals in or around the Horse Operation Area or any Open Space Area. Owners of any Lots which are adjacent to the Horse Operation Area or Open Space Area must keep their pets away from such Areas so as to prevent their pets from annoying, frightening or harassing any horses or individuals, even though the pet may be entirely on or within the boundaries of the Owner's Lot. During the time any elk or other wildlife are wintering or feeding in any Open Space Area, Owners must exercise due care to prevent their pets from annoying, frightening or harassing such wildlife.

**D. Alteration of Lots or Exterior Improvements.** There shall be no excavation, alteration, construction or remodeling which in any way alters the exterior appearance of any Lot or any Improvements thereon without the prior written approval of the Design Review Committee. This restriction shall not apply to maintenance and repairs of any Improvement as long as such maintenance and repair shall not alter the appearance of the Improvement. This restriction shall not apply to interior alteration or remodeling of any residence or structure within any Area covered by this Declaration.

**E. Maintenance of Improvements and Landscaping.** No Improvement upon any Real Property within any Area covered by this Declaration shall be permitted to fall into disrepair. Each such Improvement shall at all times be kept and maintained in good condition and repair and adequately painted or otherwise finished by the Owner thereof. Any maintenance or repair of any Improvement shall not alter the exterior appearance or color of the Improvement without prior written approval of the Design Review Committee.

**F. Violation of Declaration or Association Rules.** There shall be no violation of this Declaration or any Association Rules. If any Owner, his family, lessee, licensee or invitee violates any provision of this Declaration or any Association Rules, the Board may impose a special Assessment on such person of not more than Fifty dollars (\$50.00) per day for each violation for a period not to exceed one (1) year for each violation. Before imposing any such Assessment, the Board shall give such person reasonable Notice and Hearing regarding such violations. Any Assessment imposed hereunder which remains unpaid for a period of ten (10) days or more shall become a lien upon the Owner's Lot upon the recording of a Notice of Assessment Lien.

G. Violation of Elkhorn Master Declaration or Elkhorn Master Association Rules. There shall be no violation of the Elkhorn Master Declaration or any Elkhorn Master Association Rules. The Elkhorn Master Declaration or any Elkhorn Master Association Rules may be enforced as provided in the Elkhorn Master Declaration.

H. Exemption of Declarant. Nothing in this Declaration shall limit the right of Declarant to complete any excavation, grading and construction of Improvements to any Lot owned by Declarant or to alter or make such additional Improvements as Declarant deems appropriate in the course of development of the Real Property, including any Residential Common Area or Open Space Area so long as any Lot remains unsold by Declarant. This Declaration shall not limit the right of Declarant at any time prior to any sale of a Lot to establish on that Lot additional licenses, easements and rights of way to itself, to utility companies and to others as may be appropriate to the development of the Real Property. Declarant need not seek nor obtain Design Review Committee approval for any Improvement constructed or placed by Declarant on any Lot owned by Declarant or any other Residential Common Area or Open Space Area.

V. **PERMITTED USES AND RESTRICTIONS FOR RESIDENTIAL AREA AND RESIDENTIAL COMMON AREAS.**

A. Residential Use and Improvements. All Lots in the Residential Area shall be improved and used solely for residential purposes. Each Lot may be improved with one single family residence designed to accommodate no more than one single family, its guests and domestic help.

B. Residential Purposes and Rentals. No residence shall be used for any purpose other than single family residential purposes. No occupation, profession, trade or other nonresidential use shall be conducted on any Lot within the Residential Area; provided, however, that nothing in this Declaration shall prevent the rental of property by the Owner for reasonable residential purposes on either a short term or long term basis. Such rental shall be deemed a residential use. No residence or any garage or other structure located on a Lot shall be used for commercial or other nonresidential storage purposes. No garage may be separately rented by the Owner.

C. Arrowleaf Road and Sagewillow Road Rights of Way.

1. Private Rights of Way. Arrowleaf Road and Sagewillow Road, including the entire right of way shown on the Sagewillow Subdivision Plat for each road, are the roads serving the Lots and are or will become private rights of ways and roads belonging to the Association to provide access for ingress and egress for the Owners of Lots, their families, licensees, invitees and guests. These rights of way shall also serve to connect the trails and Open Space Areas within the Sagewillow Subdivision.

2. **Declarant's Reserved Permanent Access Rights.** Declarant, for itself, its officers, directors and shareholders, employees, agents, licensees, invitees, boarders and others, hereby expressly reserves the perpetual right to use Arrowleaf Road and Sagewillow Road, including its rights of way, as access for ingress and egress to any real property which Declarant may own within the Sagewillow Subdivision. This right of access shall be without limitation and shall inure to the benefit of any successors in interest to any real property owned by Declarant within the Sagewillow Subdivision that may need access through these rights of way.

## VI. PERMITTED USES AND RESTRICTIONS FOR OPEN SPACE AREAS AND PUBLIC AREAS.

A. **Open Space Areas.** The Open Space Areas include five Parcels, Parcels E, H, D, I and F, as shown on the Sagewillow Subdivision Plat. Each Parcel has different permitted uses and restrictions as set forth herein. The permitted uses and restrictions for each of the Parcels of the Open Space Areas are as follows:

1. **Permitted Uses for Parcels E and H.** Except as otherwise set forth in this Section, Parcels E and H are Open Space Areas upon which no Improvements of any kind may be made. It is the express intent of Declarant to maintain these Parcels in a natural or open state. Notwithstanding the foregoing restrictions, fences may be placed on or around these Areas, landscaping may be installed in these Areas and a hay storage structure may be placed upon Parcel H for elk feeding purposes in a location in the sole discretion of Declarant.

2. **Permitted Uses for Parcel D.** Parcel D is to be used as a trail system around a portion of the Sagewillow Subdivision. The trail may not be used by motorized vehicles of any type.

3. **Permitted Uses for Parcel I.** Parcel I is designed primarily as a landscape screening and buffer area to screen the Elkhorn Stables from certain Lots. Parcel I is also to be used in part as a trail system around a portion of the Sagewillow Subdivision. The trail may not be used by motorized vehicles of any type.

4. **Permitted Uses for Parcel F.** Parcel F shall be used as an access for ingress and egress to Lot 6 and may be used as an access for ingress and egress to Lot 7. Parcel F is also to be used as a trail system around a portion of the Sagewillow Subdivision.

5. **Declarant's Reserved Permanent Access Rights.** Declarant, for itself, its officers, directors and shareholders, employees, agents, licensees, invitees, boarders and others, hereby expressly reserves the perpetual right to use the Open Space Areas for pedestrian ingress and egress in and around the Sagewillow Subdivision. This right of access shall be without limitation and shall inure to the benefit of any successors in interest to any real property owned by Declarant within the Sagewillow Subdivision.

B. Public Areas. The Public Areas include the two Parcels J and K as shown on the Sagewillow Subdivision Plat. These Parcels are to be owned by the Sun Valley Water and Sewer District. Parcel J is improved with a Pump House and houses water pumps, telemetry and other equipment. Parcel K is currently improved with one water storage tank and may be further improved with an additional water storage tank or tanks. The permitted uses and restrictions on such Areas are as follows:

1. Permitted Uses. The Public Areas shall only be improved and used for water purposes of the Sun Valley Water and Sewer District.

2. No Membership in Association. The Sun Valley Water and Sewer District, as owner of the Public Areas notwithstanding, shall not have membership rights in the Association, shall not have any vote in the Association and shall not have any right to a seat on the Board of Directors of the Association.

3. No Liability for Association Assessments. The Sun Valley Water and Sewer District shall not be assessed nor liable for any Assessments of the Association. Nothing herein shall be construed as preventing the Association from enforcing this Declaration to the extent not inconsistent with these Sections and from assessing any fines or penalties upon the Sun Valley Water and Sewer District and filing any liens upon the Public Areas for violation of this Declaration.

4. No Amendment Without Prior Consent. No amendment to this Declaration which affects the permitted uses set forth above in Section 1, the membership rights set forth above in Section 2 or the liability for Assessments set forth above in Section 3 may be made without the prior written consent of the Sun Valley Water and Sewer District.

## VII. SAGEWILLOW HOMEOWNERS ASSOCIATION.

A. Association. The Association is a nonprofit Idaho corporation charged with the duties and vested with the powers prescribed by law and set forth in its Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

### B. Membership.

1. Qualifications. Each Owner, including Declarant, by virtue of being such an Owner and for so long as he is such an Owner, shall be deemed a Member of the Association.

2. Transfer of Membership. The Association membership of each Owner, including Declarant, shall be appurtenant to said Lot and shall not be transferred, pledged, or alienated in any way except upon the transfer of legal and equitable title to said Lot, and then only to the transferee of such title. Any attempt to make a prohibited transfer shall be void.



Any transfer of legal and equitable title to said Lot shall operate automatically to transfer said membership to the new Owner thereof.

**C. Voting.**

1. **Number of Votes.** The Association shall have two classes of voting memberships:

**Class A Membership:** Class A Members shall consist of all Owners, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. Declarant shall become a Class A Member with regard to Lots owned by Declarant upon the conversion of Declarant's Class B membership to Class A membership as provided below.

**Class B Membership:** The Class B Member shall be Declarant. Upon the first sale of a Lot to an Owner, Declarant shall thereupon be entitled to three (3) votes for each Lot owned by Declarant. Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(1) When the total votes outstanding in the Class A membership exceeds the total votes outstanding in the Class B membership; or

(2) Ten (10) years from the transfer of legal and equitable title by Declarant of a Lot to an Owner.

2. **Joint Owner Voting Disputes.** The vote for each such Lot shall, if at all, be cast as a unit, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they are acting with the authority and consent of all other Owners of the same Lot.

3. **Cumulative Voting.** In any election of the members of the Board, every Owner (including Declarant) entitled to vote at such an election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of votes to which that Owner is entitled in voting upon other matters multiplied by that number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected.

**D. Meetings of Owners.** Meetings of the Owners and all matters related to the such meetings shall be governed as set forth in the Bylaws of the Association.

**E. Board of Directors and Officers.** The affairs and business of the Association shall be conducted by the Board and such officers as the Board may elect or appoint, in accordance with the Articles and the Bylaws, as the same may be amended from time to time. The initial Board of Directors of the Association shall be appointed by Declarant and shall hold

office until the first annual meeting, at which time a new Board may be elected in accordance with the provisions set forth in the Bylaws.

F. **Powers and Duties of the Association.** The powers and duties of the Association, conducted through the Board, include:

1. **Powers.** The Association shall have all the powers of a nonprofit corporation organized under the general 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 Association shall have the power to do any and all lawful acts which may be authorized, required or permitted to be done under the Articles, Bylaws, and this Declaration, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the proper management and operation of the Association, including without limitation:

a. **Assessments.** The power to levy Assessments on the Owners of Lots and to force payment of such Assessments, all in accordance with the provisions of this Declaration.

b. **Right of Enforcement.** The power and authority from time to time in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to enforce this Declaration, the Articles, Bylaws or Association Rules; to restrain and enjoin any breach or threatened breach of this Declaration, the Articles, Bylaws, or Association Rules, and to enforce by mandatory injunction or otherwise.

c. **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 Association Property. Neither the Association nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated.

d. **Association Rules.** The power to adopt, amend and repeal Association Rules, including Design Committee Rules, as the Association deems reasonable. A copy of the Association Rules as adopted from time to time shall be given to each Owner. 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 any such Association Rules and any other provision 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.

e. **Emergency Powers.** The power to enter upon any Lot in the event of any emergency involving potential danger to life or property or when necessary in connection with any maintenance or construction for which it is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable and any damage caused thereby shall be repaired by the Association.

f. 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 any Association Property as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment thereof and for the preservation of the health, safety, convenience and welfare of the Owners, for the purpose of constructing, erecting, operating, or maintaining:

(1) Underground lines, cables, wires, conduits or other devices for the transmission of electricity for lighting, heating, power, telephone, telemetry and other purposes;

(2) Public sewers, storm drains, water drains, and pipes, water systems, irrigation systems, water, heating and gas lines or pipes; and

(3) Any similar public or quasi-public improvements or facilities.

g. Legal and Accounting Services. The power to retain and pay for legal and accounting services necessary or proper for the operation of the Association, enforcement of the Declaration, the Articles, Bylaws or the Association Rules, or performance of any other duties or rights of the Association.

2. Duties of the Association. In addition to the power delegated to it, the Association, by and through its Board, shall have, without limiting the generality thereof, the obligation to conduct all business affairs of common interest to all Owners, and to perform each of the following duties:

a. Operation and Maintenance of Association Property. To operate, maintain and otherwise manage or provide for the operation, maintenance and management of Association Property including the repair and replacement of property damaged or destroyed by casualty loss and all other property acquired (by easement or otherwise) by the Association. The Association may contract for the operation, management and maintenance of Association Property. The Association shall also take such actions and arrange for such maintenance as may be necessary or desirable for the upkeep of landscape, watercourses, roads and all other easements. The Association will acquire, provide and/or pay for water, electrical, and other necessary services for the Association Property owned and managed by it. Specifically, the Association shall be responsible for the following:

(1) Maintaining both Sagewillow Road and Arrowleaf Road and the rights of way, and maintaining Parcel F to the extent that Parcel F is used for access to any Lot, which maintenance includes, without limitation, any necessary road repairs and snowplowing.

(2) Maintaining all the trails in the Open Space Areas and maintaining the landscaping in any Open Space Area or within any landscape easement within the Association. The Association shall maintain the landscaping within all landscape easements,

including the landscape easement encumbering Lot 18, as shown on the Sagewillow Subdivision Plat. The term landscaping, as used in this Declaration, shall include all plant material and irrigation equipment. The Association shall maintain the trails in a condition that is safe for equestrian and pedestrian use

**b. Insurance.** Unless otherwise determined by the Board, to obtain from reputable insurance companies authorized to do business in the State of Idaho and maintain in effect the following policies of insurance:

(1) Fire insurance including those risks embraced by coverage of the type now known as "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 on the Association Property.

(2) Comprehensive public liability insurance insuring the Board, the Association, the Declarant and the individual Owners and agents and employees of each of the foregoing against any liability incident to the use of the Association Property. 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 property damage.

(3) Full coverage directors and officers liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000).

(4) Such other insurance including Workmen's Compensation insurance to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Association may deem necessary or required to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of any Association funds or other property.

(5) The Association shall be deemed trustee of the interests of all Owners in any insurance proceeds paid to it under such policies, and shall have full power to receive their interests in such proceeds and to deal therewith.

(6) Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the regular Assessments levied by the Association.

**c. Rule Making.** To make, establish, promulgate, amend and repeal the Association Rules.

**d. Design Committee.** To appoint and remove members of the Design Committee, subject to the provisions of this Declaration.

e. **Enforcement of Restrictions and Rules.** To perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration, the Articles, Bylaws and the Association Rules.

G. **Personal Liability.** No member of the Board, or any committee of the Association, including the Design Committee, or any officer or employee of the Association, or Declarant shall be personally liable to any Owner or to any other party, including the Association, for any damages or loss suffered or claimed on the account of any act or omission of such person, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith.

H. **Budgets and Financial Statements.** Financial statements for the Association shall be regularly prepared and copies shall be distributed to each Owner of the Association, including an Operating Budget for the forthcoming fiscal year, an Assessment Schedule for the forthcoming fiscal year, a Balance Sheet as of the last day of the Association's fiscal year and an Annual Operating Statement reflecting receipts and expenditures of the Association for its fiscal year. The Operating Budget and the Assessment Schedule shall be distributed to each Owner prior to the beginning of the forthcoming fiscal year. The Balance Sheet and Annual Operating Statement shall be distributed to each Owner within a reasonable time after the end of the Association's fiscal year.

#### VIII. ASSESSMENTS.

A. **Covenant to Pay Assessments.** Each Owner hereby covenants and agrees to pay when due all Assessments and any other charges made by the Association. Such Assessments, including interest, late fees, costs and attorneys' fees which may be incurred in collecting the same, shall be a charge on the Owner's Lot and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, including interest, late fees, costs and attorneys' fees, shall be the personal obligation of the Owner of such Lot at the time when the Assessment became due.

B. **Annual Estimates of Regular Assessments.** Prior to the beginning of each fiscal year, the Association shall estimate the expenses to be incurred by the Association during such year in performing its functions under this Declaration. This estimate shall include an amount allocated to an adequate reserve fund which is to be established for maintenance, repairs and replacement of Association Property. A sum sufficient to pay such estimated annual costs will be assessed as a Regular Assessment to the Owner of each Lot in an equal amount.

C. **Special Assessments.** Special Assessments shall be assessed as follows:

1. In the event that the Association shall determine that the Regular Assessment for a given fiscal year is or will become inadequate to meet the expenses of such Association for any reason, including but not limited to costs of maintenance and unexpected

repairs upon the Association Property or the nonpayment of any Owner's Assessment, the Association shall determine the approximate amount necessary to defray such expenses and levy a Special Assessment.

2. Every Special Assessment shall be levied upon Owners on the same basis as the prescribed for the levying of Regular Assessments.

D. Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments must be fixed at a uniform rate for all Owners.

E. Payment of Assessments. All Regular Assessments shall be due and payable to the Association by the assessed Owners during the fiscal year in equal quarterly installments on the first day of the quarterly period, as the Association may determine. All Special Assessments may be levied immediately against each Lot or the payments of such Assessment may be spread over a period of time, as determined by the Association.

F. Interest and Late Charges. If any Assessment assessed to any Owner is not paid within thirty (30) days after it is due, interest shall accrue on the unpaid amount at the rate of Eighteen percent (18%) per annum until paid. Additionally, the Owner may be required to pay a late charge as may be determined by the Association pursuant to the Association Rules.

G. Personal Liability. Each Owner is personally liable for said Assessments and no Owner of a Lot may exempt himself from liability for his contribution by a waiver of the use or enjoyment of any of the Association Property or by abandonment of his Lot.

H. Estoppel Certificate. The Association upon not less than 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 such Association, a particular Owner is in default under the provisions of this Declaration, and further stating the dates to which Assessments have been paid by said Owner, it being intended that any such certificate delivered pursuant to this section may be relied upon by any prospective purchaser or mortgagees of said Owner's Lot, but reliance on such certificate may not extend to any default as to which the signer shall have had no actual knowledge.

## IX. ENFORCEMENT OF ASSESSMENTS.

A. Right to Enforce. The right to collect and enforce the Assessments made by the Association is vested in the Association. Each Owner of a Lot upon becoming an Owner of such Lot is and 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. The remedies of the Association to collect Assessments set forth herein shall be cumulative and the election by the Association to pursue one remedy shall not prevent the Association from pursuing any other remedy at any other time. The Association may sue the Owner personally to enforce the obligations of the Owners to pay Assessments or the

Association may exercise the power of sale pursuant hereto to enforce the liens created hereby. A suit by the Association against an Owner to recover a money judgment for any unpaid Assessments may be maintained without waiving or relinquishing any lien rights or the ability of the Association to exercise of the power of sale to enforce the lien as provided herein.

**B. Assessment Lien.**

1. **Creation.** There is hereby created a Claim of Assessment Lien with power of sale on each and every Lot to secure payment of any and all Assessments levied against any and all Lots in the Association pursuant to this Declaration, together with interest thereon, late fees and all other costs of collection which may be paid or incurred by the Association making the Assessment in connection therewith, including reasonable attorneys' fees. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Lots upon recording of a Notice of Claim of Assessment Lien with the Blaine County Recorder. Said lien shall be prior and superior to all other liens or claims created subsequent to the recording of the Notice of Claim of Assessment Lien except for liens which by law would be superior thereto.

2. **Claim of Assessment Lien.** Upon default of any Owner in the payment of any Assessment required hereunder, the Association may cause a Notice of Claim of Assessment Lien to be recorded in the Office of the Blaine County Recorder. Said Notice shall state the amount of such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Lot against which the same has been assessed, and the name of the record Owner thereof. Each delinquency shall constitute a separate basis for a claim of lien, but any number of defaults, whether occurring before or after the recording of the Notice, may be included within a single Notice. 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 of Release of Assessment Lien evincing the release the Association's lien. The Association may demand and receive the cost of recording of such Notice before recording the same. Any purchaser or encumbrancer, acting in good faith and for value, may rely upon such Notice as conclusive evidence of the full satisfaction of the sums paid in the Notice of delinquent sums.

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

D. **Required Notice.** Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of the Notice of Claim of Assessment Lien, whether judicially by power of sale or otherwise, until the expiration of thirty (30) days after the date of recordation of the Notice with the Blaine County Recorder

and after a copy of such Notice has been mailed in the United States mail, certified or registered, postage prepaid, to the Owner of the Lot described in such Notice.

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

**X. DESIGN COMMITTEE AND ARCHITECTURAL CONTROL.**

**A. Members of Design Committee.** The Design Committee shall consist of at least three (3) members but no more than five (5) members. Persons shall be appointed to the Design Committee by the Board and shall serve until such time as the member has resigned or is removed. Members of the Design Committee may be removed by the Board at any time without cause.

**B. Review of Proposed Construction or Alteration.**

**1. Action of Design Committee.** The Design Committee shall consider and act upon any and all proposals or plans and specifications for actions to be taken pursuant to this Declaration, and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction of Improvements in progress to assure its conformance with plans approved by the Design Committee. The Design Committee may condition its approval of proposals or plans and specifications on such changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Design Committee has authority to require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, landscape plans, drainage plans, cross sections, elevation drawings and description or samples of exterior materials and colors. The Design Committee may also require certain inspections and/or that any construction, alteration or addition be completed within certain time limits.

**2. Design Committee Postponement of Action.** Until receipt by the Design Committee of required plans, samples, specifications, fees, and certification that all Regular and Special Assessments are paid in full or until successful completion of any required inspection, or after passage of the allowed time for construction, or at any point where construction, alteration or additions are not performed according to approved plans, the Design Committee may postpone review of any plan submitted for approval and may prohibit any or further construction, alterations or additions.

**3. Sole Discretion of Design Committee in Reviewing Applications.** In reviewing applications, the Design Committee, in its sole discretion, shall take into consideration



aesthetic factors, including but not limited to, the architectural design, placement, height and scale of buildings and structures, view corridors, landscaping, color schemes, exterior finishes and materials and similar features. The Design Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of any plan or design from the standpoint of structural safety or conformance with any building or other codes or any governmental requirements.

**C. Design Committee Rules.** The Board shall adopt rules or guidelines setting forth procedures for the submission of plans for approval, and factors which the Design Committee is to take into consideration in reviewing applications. The Board shall establish from time to time a fee schedule for the review and inspection process.

**D. Meetings of the Design Committee.** The Design Committee shall meet from time to time as necessary to perform its duties hereunder. The Design Committee may from time to time by resolution unanimously adopted in writing designate one of its members to take any action or perform any duties for and on behalf of the Design Committee, except the granting of variances as set forth below. In the absence of such designation, the vote of or the written consent taken without a meeting of a majority of the Design Committee, shall constitute an act of the Design Committee.

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

**F. Compensation of Members.** The members of the Design Committee shall be entitled to reasonable compensation from the Association for services rendered, together with reimbursement for expenses incurred by them in the performance of their duties hereunder. Such compensation shall be set by the Board from time to time.

**G. Final Inspection of Work.** Inspection of work and correction of defects therein shall proceed as follows:

1. Upon the completion of any work for which approved plans are required hereunder, the Owner shall give written notice of completion to the Design Committee.

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

3. If upon the expiration of thirty (30) days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Design Committee shall notify the Board in writing of such failure. Upon Notice and Hearing, the Board shall determine whether there is noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the Owner shall remedy or remove the same within a period of not more than thirty (30) days from the date of announcement of the Board ruling, unless the time to remedy the noncompliance reasonably may take longer, in which case the Owner may request a reasonable extension of time to remedy the noncompliance. If the Owner does not comply with the Board ruling within such period, the Board may pursue any lawful remedy, including removal of the noncomplying Improvement. The Owner shall reimburse the Association, upon demand, for all expenses, including interest on monies expended and attorneys' fees, incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board may file a lien against such Owner for reimbursement pursuant to Article IX.

4. If for any reason the Design Committee fails to notify the Owner of any noncompliance within thirty (30) days after receipt of said written notice of completion from the Owner, the Improvement shall be deemed to be in accordance with said approved plans.

**H. Nonliability of Design Committee Members.** Neither the Design Committee nor any member thereof shall be liable to the Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder; unless due to the willful misconduct or bad faith of the Design Committee.

**I. Variances.** The Design Committee may authorize variances from compliance with any of the architectural provisions of this Declaration, 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 consideration may require. A request for a variance must be in writing, which specifically sets forth the reason for the variance. If a variance is granted, no violation of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance.

## **XI. EASEMENTS.**

**A. Grant of Easements.** Notwithstanding anything expressly or impliedly contained herein to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Declarant including easements for the installation and maintenance of utilities and drainage facilities that are required for the development of the Real Property. In addition, Declarant hereby reserves for the benefit of the Association, the right of Declarant to grant additional easements and rights-of-way over the Real Property to utility companies and public agencies as necessary, for the proper development of the Real Property until close of escrow for

the sale of the last Lot in the Real Property to a purchaser. Nothing herein shall be construed as reserving the right in Declarant to grant easements over Lots after Declarant has conveyed title to such Lot to another Owner.

**B. Utility Easement.** Underground utilities are generally installed within the sixty (60) foot road rights of way by the Declarant. However, some of the utilities and equipment may be located on a Lot. The rights and duties of the Owners of the Lots with respect to utilities shall be governed by the following:

1. Wherever utility house connections, if any, are installed within the Real Property, which connections or any portions thereof may be in or upon Lots owned by other than the Owners of the Lot intended to be served by said connections, such an Owner shall have the right and is hereby granted an easement to the full extent necessary therefor to enter upon a Lot or the Real Property in or upon which said connections or any portion thereof may be, to connect, repair, replace and generally maintain said connections as and when the same may be necessary.

2. Whenever utility house connections, if any, are installed within the Real Property which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to full use and enjoyment of such portions of said connections as service his Lot.

**C. Disputes as to Sharing of Costs.** In the event of a dispute between Owners with respect to the repair or rebuilding of said utility connections or driveways, or with respect to the sharing of the cost thereof, then upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board, who shall decide the dispute and make an Assessment against any or all of the Owners involved, which Assessment shall be collected and enforced in the manner provided by this Declaration.

**D. Landscape Easement.** An easement is hereby reserved to the Association, its contractors and agents, to enter portions of Lots for the purpose of pest and weed control.

**E. Watercourse Easement.** The Declarant hereby reserves for the benefit of the Association an easement for all watercourses, irrigation ditches, and drainages (or other bodies of water) and related pipes, pumps and other related equipment over, across and under all Lots and Association Easements owned by the Association to the extent reasonably required to protect the Association's water rights and to maintain, and service the watercourses and irrigation system as existing or installed by Declarant on the Real Property or pursuant to plans and specifications approved by the Design Review Committee.

**F. No Construction Within Easements.** No Improvement shall be made within any easement without the prior written approval of Design Review Committee.

## NH. MISCELLANEOUS.

A. Term. The covenants, conditions and restrictions of this Declaration shall run until the end of the year 2025 unless amended or terminated as herein provided. After such date, such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless this provision is amended or this Declaration is cancelled or revoked by a written instrument executed by seventy five percent (75%) or more of the Owners, and such written instrument is recorded with the Blaine County Recorder.

### B. Amendment.

1. By Declarant. When Declarant has fifty percent (50%) or more ownership of the Lots, the provisions of this Declaration, other than this Article, may be amended only by Declarant. Any amendment hereunder shall be effective only upon recordation with the Blaine County Recorder of an instrument in writing signed and acknowledged by Declarant setting forth the amendment.

2. By Owner. When Declarant has less than fifty percent (50%) ownership of the Lots, the provisions of this Declaration, other than this Article, may be amended by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying that such amendment has been approved by the vote or written consent of seventy five percent (75%) or more of the Owners, and such an amendment shall be effective only upon its recordation with the Blaine County Recorder:

3. Rules for Interpretation. This provision is to assist in the interpretation of the provisions hereunder regarding the amendment provisions and the membership and voting provisions set forth under Section C of Article VII. Section C, Article VII establishes two (2) classes of voting memberships, with Declarant as the Class B Member and retaining three (3) votes for each Lot owned by Declarant until such time as Declarant ceases to be a Class B Member. To determine whether any amendment to this Declaration is to be made pursuant to Section B1 or B2 above, no reference should be made to whether Declarant is a Class B Member or not. The determination is to be made by reference solely to how many Lots Declarant owns at the time an amendment is considered. However, once the determination is made as to which Section above applies, then the voting provisions under Section C, Article VII apply to determine whether an amendment meets the necessary percentage for approval.

4. Rights of Sun Valley Water and Sewer District. Notwithstanding the provisions herein related to Amendment, no amendment of this Declaration shall be effective without the written consent of the Sun Valley Water and Sewer District to the extent that any amendment shall effect those rights and obligations set forth in Section B of Article VI.

5. Rights of Beneficiary. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat and render invalid the rights of the Beneficiary under any recorded deed of trust or mortgage upon a Lot made in good

faith and for value, provided that after the foreclosure of any such deed of trust or mortgage, such Lot shall remain subject to the Declaration as amended.

6. Rights of Declarant. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to amend, affect, limit in any manner or render invalid any rights which Declarant has reserved in this Declaration without the written consent of Declarant.

7. Amendment to Sections A, B and C of Article VII. Notwithstanding anything herein contained to the contrary, the provisions of Sections A, B and C of Article VII may only be amended with the unanimous vote or written consent of all the Owners entitled to vote.

C. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by telecopier or by mail. If delivery is made by telecopier, it shall be deemed to be delivered the day of its transmission, if sent to any Person at the telecopier number given by such Person to the Association for the purpose of service of such notice. If delivery is made by mail, it shall be deemed to have been delivered forty eight (48) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such Person to the Association for the purpose of service of such notice, or the residence of such Person, if no other address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

D. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and enhance the aesthetic and economic value of the Real Property. This Declaration shall be construed and governed under the laws of the State of Idaho.

E. Enforcement and Nonwaiver.

1. Right of Enforcement. Except as otherwise provided herein, any Owner of any Lot within the Real Property shall have the right to enforce any or all of the provisions of the Declaration upon any other Lot. However, any other provision to the contrary notwithstanding, only Declarant, the Association, the Board, or the duly authorized agents of any of them, may enforce by self-help, any of the provisions of this Declaration and only if such self-help is preceded by Notice and Hearing.

2. Violations and Nuisance. Every act or omission whereby any provision of the Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action by Declarant or Association or any Owner or Owners of Lots within the Real Property.

3. Violation of Law. Any violation of any state, municipal or local law, ordinance, or regulation pertaining to the ownership, occupation, or use of any property within

the Real Property, is hereby declared to be a violation of the Declaration and subject to any or all of the enforcement procedures set forth in this Declaration.

4. Remedies Cumulative. Each remedy provided by this Declaration is cumulative and not exclusive.

5. Nonwaiver. The failure to enforce any of the provisions of the Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provisions of said Declaration.

6. Compliance with Provisions of Declaration, Articles, Bylaws, Rules and Regulations of the Association. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and the Bylaws, any Association Rules adopted from time to time by the Board or the Association, and any decisions made and resolutions adopted from time to time by the Board or Association. Failure to comply with any of the same shall be grounds for the imposition of reasonable late fees, fines, interest and other reasonable charges as allowed herein, the filing of liens and the enforcement thereof, the commencement of actions to recover any sums due, damages or injunctive relief, by the Association on behalf of the Owners or by an Owner. Additionally, failure to comply with any of the same shall be grounds for the Association's suspending an Owner's voting rights in the Association or privileges to use any recreational facilities.

7. Attorneys' Fees. In the event that the Association or an Owner retains an attorney to enforce any right or duty arising out of this Agreement, the prevailing party in such dispute shall be entitled to be paid reasonable attorney's fees by the non-prevailing party, whether or not litigation is actually instituted.

F. Construction.

1. Restrictions Construed Together. All of the provisions of the Declaration shall be liberally construed together to promote and effectuate Declarant's goals in making this Declaration as set forth in the preamble.

2. Restrictions Severable. Notwithstanding the provisions of the foregoing Section, each of the provisions of the 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.

3. Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

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

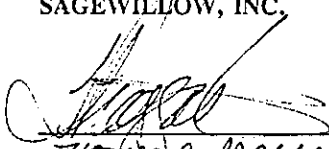
5. Exhibits. All exhibits attached to this Agreement are hereby incorporated into this Agreement by reference.

G. Winter Feeding of Elk or Wildlife. Declarant has been providing winter feeding for elk for many years prior to the subdivision of the Real Property and the adoption of this Declaration. The location of some of the Open Space Areas within the subdivision was intended to continue to provide for elk and other wildlife wintering and feeding. Declarant hereby reserves the right to continue to feed the elk and other wildlife in its sole discretion and reserves the right to use the Open Space Areas for elk and wildlife feeding purposes. Notwithstanding anything herein to the contrary, Declarant reserves the right to use motorized vehicles to access the Open Space Areas for elk and wildlife feeding purposes.

H. Notice of Rule Making Power. All Owners of any Lots and potential buyers should be aware that in addition to this Declaration, other Supplemental Declarations may be adopted from time to time. Any Supplemental Declarations shall be recorded with the Blaine County Recorder in order to have legal force and effect. All Owners and potential buyers should further be aware that Association Rules, including Design Committee Rules, may be adopted from time to time by the Board or the Association. These Association Rules may not be recorded but shall be applicable to all Owners and the Association upon their adoption.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

SAGEWILLOW, INC.

  
By: THOMAS C. PAGGASTIS  
Its: SECRETARY

STATE OF IDAHO            )  
                                  ) SS.  
County of Blaine        )

On this 7<sup>th</sup> day of FEBRUARY, 1995, before me, a Notary Public in and for said State, personally appeared THOMAS C. FRANKS known or identified to me to be the Secretary of SAGEWILLOW, INC., a Nevada corporation, whose name is subscribed to the within instrument, and acknowledged to me that they executed the same in the name of and on behalf of said corporation.

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



Christie A. Roy  
NOTARY PUBLIC in and for  
the State of Idaho  
residing at Hailey, Idaho  
Commission expires 6-6-99



EXHIBIT "A"

Lots 1 - 22 and Parcels C, D, E, F, G, H, I, J & K of SAGEWILLOW, Blaine County, Idaho, as shown on the official plat thereof, recorded July 27, 1994, as Instrument No. 368709, records of Blaine County, Idaho.