

MASTER 8724964

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

HULLS GROVE

THIS DECLARATION is made effective as of the 24<sup>th</sup> day of April, 1987, by ORIDA INVESTMENT CORPORATION, an Idaho corporation ("Grantor").

## ARTICLE I

RECITALS

1.1 Property Covered. The property subject to this Master Declaration of Covenants, Conditions and Restrictions for Hulls Grove ("Master Declaration") is the Property defined in Section 3.31 below, and further described in Exhibit "A" (the "Property").

1.2 Mixed Use Development. As indicated in the preliminary concept plan for Hulls Grove, a Planned Unit Development which was given conceptual approval by Boise City Planning and Zoning Commission on October 17, 1984 under Conditional Use Permit No. CU-106-84 (the "Hulls Grove Plan") which is incorporated by this reference, Grantor currently intends to develop the Property to serve residential and compatible commercial uses. Certain portions of the Property will be developed for quality detached single-family residential homes; patio homes; condominiums and townhouses; and other portions may contain apartments, commercial office, retail merchandising establishments and restaurants, or a mix of these. The Property will contain parcels of Common Area and Recreation Area, including streams and private reservoirs, open space, park areas, landscaping, recreational facilities, private streets, drives, areas for vehicle parking and other amenities and facilities. Grantor may subject property in addition to that described on Exhibit A to the provisions hereof by annexing such parcel into the Property pursuant to a Supplemental Declaration. The Hulls Grove Plan is subject to change at any time by Grantor, and imposes no obligation on Grantor as to how the Property is to be developed.

1.3 Purpose of Master Declaration. The purpose of this Master Declaration of Covenants, Conditions and Restrictions ("Master 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, residential and commercial alike. The Restrictions are designed to preserve the Property's value, desirability and attractiveness, to ensure a well integrated, high-quality development in both its residential and commercial aspects, and to guarantee adequate maintenance of the Common Areas, Recreation Areas and the Improvements located thereon.

1.4 Supplemental Declarations of Covenants. Grantor intends to develop the Property in stages, as more fully described in this Master Declaration. In order to facilitate the staged development contemplated herein, Grantor will record, at its option, Supplemental Declarations establishing particular Covenants, Conditions and Restrictions for specified portions of the Property, potentially including properties in addition to that described on Exhibit A.

## ARTICLE II

### DECLARATION

Grantor hereby declares that the Property, and each lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following 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 its value, desirability and attractiveness. The 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, whether held or used for residential or commercial purposes or otherwise, and shall inure to the benefit of and be binding upon Grantor, its successors in interest and each grantee or Owner and his respective successors in interest, and may be enforced by Grantor, by any Owner or his successors in interest, or by the Master Association or any Local Association as hereinafter described.

Notwithstanding the foregoing, no provision of this Declaration shall be construed as to prevent or limit Grantor's right to complete development of the Property and to construct improvements thereon pursuant to the Hulls Grove Plan as the same may be modified at Grantor's option hereunder, nor Grantor's right to maintain model homes, construction, sales or leasing offices or similar facilities on any portion of the Property, nor Grantor's right to post signs incidental to construction, sales or leasing.

## ARTICLE III

DEFINITIONS

3.1 "Annexed Tract" shall mean any parcel of real property that is annexed pursuant to the annexation procedure described herein and made subject to this Master Declaration by a particular Supplemental Declaration recorded by Grantor.

3.2 "Architectural Committee" shall mean the committee created by the Grantor or an Association pursuant to Article XI hereof.

3.3 "Articles" shall mean the Articles of Incorporation of an Association.

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

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

3.6 "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.

3.7 "Beneficiary" shall mean a mortgagee under a mortgage or beneficiary under a deed of trust, as the case may be, and/or the assignees of such mortgagee, beneficiary or holder, which mortgage or deed of trust encumbers parcels of real property on the Property.

3.8 "Board" shall mean the Board of Directors of an Association.

3.9 "Building Lot" shall mean one or more lots within a Tract as specified or shown on any Plat and/or by Supplemental Declaration, upon which Improvements may be constructed. The term "Building Lot" shall include without limitation each condominium unit created pursuant to the Idaho Condominium Act, townhouse units, patio homes and single family residential lots, but shall not include Common Area lots, or Recreation Areas.

3.10 "By-Laws" shall mean the By-Laws of an Association.

3.11 "Commercial Property" shall mean portions of the Property which Grantor designates, either by Plat, by Supplemental Declaration or otherwise, for use as commercial, office, apartment, retail or restaurant use.

3.12 "Common Area" shall mean any or all parcels of Halls Grove 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, common open space, common landscaped areas, and Waterways.

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

3.14 "Delegate" shall mean an individual who represents the Owners, including Grantor when appropriate, as a Class A Delegate at meetings of the Master Association and who is empowered to vote on behalf of such Owners and their Local Association and/or Recreation Association, or the Grantor pursuant to Articles V and VI below. A Delegate will be selected by the Owner or Owners within a particular Tract or Tracts included with a Recreation Association by the process established for that Tract in the appropriate Supplemental Declaration, and herein. Where Grantor is the sole Owner of any particular Tract or those Tracts included within a Recreation Association, Grantor or his designated agent shall be the Class A Delegate for purposes of casting the votes attributable to the Property Units in that Tract(s). Where Grantor owns less than all portions of any Tract, the Delegate to represent the Local Association and Recreation Association such Tracts shall be selected by vote of the Owners therein, including Grantor, each casting the number of votes attributable to the number of Property Units he owns and the voting values assigned to those Property Units pursuant to this Master Declaration. "Delegate" also shall mean the Grantor as a Class B Delegate, who is entitled to vote in a separate capacity at Master Association meetings as provided herein.

3.15 "Grantor" shall mean Orida Investment Corporation, an Idaho corporation ("Orida"), or its successor in interest, or any person or entity to whom the rights under this Declaration are expressly transferred by Orida or its successor.

3.16 "Improvement" shall mean any structure, facility or system, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, streets, drives, driveways, sidewalks, landscaping, signs, lights, electrical lines, pipes, pumps, ditches, waterways, swimming pools and other recreational facilities, and fixtures of any kind whatsoever.

3.17 "Institutional Holder" shall mean a mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state law, any corporation or insurance company, or any federal or state agency.

3.18 "Hulls Grove" or "Hulls Grove Development" shall mean the Property.

3.19 "Hulls Grove Common Area" shall mean all real property in which the Master Association owns an interest and which is held and maintained for the common use, enjoyment and benefit of the entire Hulls Grove Development and each Owner therein. Hulls Grove 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 by designating it pursuant to this Master Declaration or any Supplemental Declaration. Hulls Grove 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.

3.20 "Hulls Grove Plan" shall mean the concept plan of Hulls Grove, a copy of which attached hereto as Exhibit B, as the same may be amended from time to time by Grantor and at Grantor's sole discretion. The Hulls Grove Plan is attached purely for illustrative purposes, and shall not bind Grantor to any particular development scheme on the Property or other property described on Exhibit A.

3.21 "Limited Assessment" shall mean a charge against a particular Owner and his Building Lot, directly attributable to the Owner, equal to the cost incurred by the Master Association Local Association, or Recreation Association for corrective action performed pursuant to the provisions of this Declaration or any Supplemental Declaration, including interest thereon as provided in this Declaration or a Supplemental Declaration.

3.22 "Local Association" shall mean any 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 or by any Owner or group of Owners whose properties are located in a particular Tract.

3.23 "Local Association Board" shall mean the duly elected and qualified Board of Directors of a Local Association.

3.24 "Local Association Rolls" shall mean the official record of Owners within a particular Tract.

3.25 "Local Common Area" shall mean all real property in which a Local Association holds an interest or for which a Local Association has responsibility and which is held and 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 by designating it as such in this Master Declaration or in any Supplemental Declaration.

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

3.27 "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, or in a Recreation Association.

3.28 "Mortgagee" shall mean beneficiaries under mortgages or trust deeds.

3.29 "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.

3.30 "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.

3.31 "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, which are brought within the jurisdiction hereof by Supplemental Declaration. The Property also shall include such additional property ("Annexed Tracts") in addition to that described on Exhibit A, as may be annexed by means of a Supplemental Declaration as provided herein. Grantor, at its sole discretion, may omit portions of the property described on Exhibit A from those portions of the Property subject to this Master Declaration. Additionally, Grantor, at its sole

election, may withdraw any Tract of which Grantor is the sole Owner previously included within the provisions hereof upon recordation of a written declaration of deannexation.

3.32 "Property Unit" shall mean the unit of property ownership, as described below, which is established for the purposes of voting in an Association and for the purpose of levying assessments as described below.

Property Units shall exist and be recognized only as to those portions of the Property for which both a Plat and a Supplemental Declaration have been recorded. As to each use permitted or planned pursuant to a Plat and/or a Supplemental Declaration, and regardless of whether Improvements have been placed upon such portions of the Property, each Building Lot shall be allocated a Property Unit value. Unless otherwise provided in a Supplemental Declaration, Property Unit values shall be designated as follows:

3.32.1 For each one thousand (1000) net square feet of interior office or retail space there shall be one (1) Property Unit.

3.32.2 For each individual apartment unit there shall be three-fourths (3/4) of a Property Unit.

3.32.3 For each single-family residential Building Lot, including patio homes, townhouse units and residential condominium units, there shall be one (1) Property Unit.

3.33 "Recreation Area" shall mean all real property designated as a Recreation Area and recreational improvements constructed thereon in which a Recreation Association holds an interest or has responsibility and which is held and maintained for the common use, enjoyment and benefit of its members. The designation as Recreation Area may be by plat, deed, the terms of this Master Declaration or Supplemental Declaration.

3.34 "Recreation Association" shall mean an Idaho non-profit corporation, its successors and assigns, established pursuant to the terms of this Declaration or to own, maintain and/or management one or more Recreation Areas.

3.35 "Regular Assessment" shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Areas and Recreation Areas and all improvements and facilities located thereon, and the other costs of an Association which is to be levied against the Hulls Grove property of and paid by each Owner to the Master Association, Local Association, or Recreation Association pursuant to the terms hereof or the terms of a Supplemental Declaration.

3.36 "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, a Local Association, or Recreation Association pursuant to the provisions of this Declaration or a Supplemental Declaration.

3.37 "Supplemental Declaration" shall mean any Supplemental Declaration including covenants, conditions and restrictions that the Grantor might adopt with respect to any portion of the Property.

3.38 "Tract" shall mean a defined portion of the Property within which the contemplated development involves a common use or compatible uses, and which has been designed as a Tract by recorded Supplemental Declaration. Each Tract shall contain one or more Building Lots, shall hold a specific number of Property Units and will be managed to the extent permitted herein by a Local Association.

3.39 "Waterway" shall mean any surface water amenity, including, without limitation, any lake, pond or 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 Structures - Generally. The Property shall contain components of both commercial and residential development. The structures serving these uses are to be designed, constructed and used in such a manner as to promote compatibility between these two general types of use.

4.1.1 Use and Size of Structure. Restrictions on the use and size of structures to be placed on the Property, or the method of determining such restrictions, in addition to those contained herein, may be set forth in Supplemental Declarations.

4.1.2 Architectural Committee Review. No building, fence, sign or other structure which will be visible above ground shall be built, erected, placed or materially altered on the Property unless and until the building plan specifications and plot plan have been reviewed in advance by the Architectural Committee (and, if required, by an applicable Local Architectural Committee pursuant to section 11.10) and the same have been approved in writing. The review and approval may concern, without limitation,



topography, finish ground elevations, architectural symmetry, landscaping, drainage, color, material design, physical or aesthetic impacts on Common Areas, artistic conformity to the terrain and the other Improvements on the Property. Said requirements as to the approval of the architectural design shall apply only to the exterior appearance of buildings. This Master Declaration is not intended to serve as authority for the Architectural Committee to control the interior layout or design of buildings except to the extent incidentally necessitated by use and size restrictions.

4.1.3. Setbacks. No dwelling unit or other structure (exclusive of fences and similar structures) shall be placed nearer to the Building Lot lines than permitted by the Plat for the Tract in which the Building Lot is located or by any applicable zoning restriction or special or conditional use permit.

4.1.4 Buoys, Docks and Piers. No buoy, and no pier, dock, jetty or similar structure which is placed or which extends into any Waterway beyond the boundary of a Building Lot shall be placed or constructed without the written approval of the Architectural Committee and the applicable Local Architectural Committee, if any. Such structures may be placed or constructed after approval of such Committee(s) with the permission and license of the Master Association and any Local Association, if required, and no easement therefor shall be granted or acquired unless agreed to in writing by the appropriate Association. The Owner of the property from which such structure extends shall be responsible for its maintenance in the same manner as provided in section 4.7.

4.2 Antennae. No exterior radio antenna, television antenna, or other antenna of any type shall be erected or maintained on the Property unless it is located or screened in a manner acceptable to the Architectural Committee and the Local Architectural Committee, if any. This paragraph shall not apply to any antenna proposed to be located on Commercial Property, which is necessary to fulfill a legitimate commercial purpose, which is reasonably screened from view and which has been approved by the appropriate Architectural Committee.

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

4.4 No Further Subdivision. No Building Lot may be further subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Board of the Master Association; provided, however, that nothing in this section shall be deemed to prevent an Owner from, or require the approval of the Board for, transferring or selling any Building 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.

4.5 Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural Committee, except such signs as may be used by Grantor in connection with the development of the Property and sale of Building Lots. Temporary signs naming the contractor, the architect and the lending institution for a particular construction operation may be placed on the Property with approval of the Architectural Committee, and except such signs of customary and reasonable dimensions as prescribed by the Architectural Committee as may be displayed on or from a Building Lot advertising the residence for sale or lease. Any customary "for sale" or "for lease" signs not more than three (3) feet by two (2) feet shall not require Architectural Committee approval.

4.6 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other property in the vicinity or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), flashing lights or search lights, shall be located, used or placed on any such property without the prior written approval of the Board.

4.7 Exterior Maintenance; Owner's Obligations. No Improvement shall be permitted to fall into disrepair, and each improvement shall at all times be kept in good condition and repair. In the event that any Owner shall permit any Improvement, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Board of the Local Association of which such Owner is a Member (or the Board of the Master Association if the Local Association fails to act), upon fifteen (15) days prior written notice to the Owner

of such property, shall have the right to correct such condition, and to enter upon such Owner's Building Lot for the purpose of doing so, and such Owner shall promptly reimburse the Local or Master Association as the case may be for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments set forth in Article VIII of this Declaration. The Owner of the offending property shall be personally liable, and his property may be subject to a mechanic's lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor, or the amounts may, at the option of the Board, be added to the amounts payable by such Owners as Regular Assessments.

4.8 Drainage. There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee. For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Property is completed by Grantor, or that which is shown on any plans approved by the Architectural Committee, which may include drainage from Common Areas over any Building Lot or Lots in the Property.

4.9 Grading. The owner of any Lot(s) within the subdivision in which grading or other work has been performed pursuant to a grading plan approved under the provisions of Section 11-2-20 of the Boise City Code (Hillside and Foothill Area; Developments) or the Master, Local or Recreation Association responsible for maintaining a Common Area on which such grading work has been performed, shall maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, means or devices which are not the responsibility of the Ada County Highway District, or other public agency, and plantings and ground cover installed or completed thereon. Such requirements shall be subject to Regular, Special, and Limited assessments provided in Article VIII herein, as may be applicable.

4.10 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 designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of the Board of the Master Association and all governmental authorities having jurisdiction.

4.11 No Hazardous Activities. No activities shall be conducted on the Property and no improvements constructed on any property which are or might be unsafe or hazardous to any person or property.

4.12 Unsightly Articles. 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 and trash shall be kept at all times in such containers and in areas approved by the Architectural Committee. No clothing or fabrics shall be hung, dried or aired in such a way as to be visible to other property, and no equipment, containers, lumber, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any property except within an enclosed structure or as appropriately screened from view.

4.13 No Temporary Structures. No house trailer, mobile home, tent (other than for short term individual use), shack or other temporary building, improvement or structure shall be placed upon any portion of the Property, except temporarily as may be required by construction activity undertaken on the Property or unless such temporary structure is necessary for a commercial purpose and is approved by the Architectural Committee.

4.14 No Unscreened Boats, Campers and Other Vehicles. No boats, trailers, campers, dilapidated or unrepaired and unsightly vehicles or similar equipment shall be placed upon any portion of the Property (including, without limitation, streets, parking areas and driveways) unless the same are enclosed by a structure concealing them from view in a manner approved by the Architectural Committee.

4.15 Sewage Disposal Systems. No individual sewage disposal system shall be used on the Property. Each Owner shall connect the appropriate facilities on his Building Lot to the Boise City Sewer System and pay all charges assessed therefor.

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

4.17 Energy Devices, Outside. No energy production devices, including but not limited to 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 Architectural Committee, except for heat pumps shown in the

plans approved by the Architectural Committee. This paragraph shall not apply to passive solar energy systems incorporated into the approved design of a residential or commercial building.

4.18 Vehicles. The use of all vehicles, including but not limited to trucks, automobiles, bicycles, motorcycles, snowmobiles, aircraft and boats, shall be subject to all Association Rules, which may prohibit or limit the use thereof within Hulls Grove. No on-street parking shall be permitted except where expressly designated for parking use. No motorized vehicle or device shall be permitted on any Waterway without the written approval of the Master Association Board unless such vehicle is engaged in an emergency procedure.

4.19 Animals/Pets. No animals, birds, insects or livestock shall be kept on the Property unless the presence of such creatures does not constitute a nuisance and is necessary to the conduct of a commercial business. This paragraph does not apply to the keeping of domesticated dogs, cats or other household pets which do not unreasonably bother or constitute a nuisance to others. Each dog in Hulls Grove shall be kept on a leash, curbed, and otherwise controlled at all times when such animal is off the premises of its owner. The construction of dog runs or other pet enclosures shall be subject to Architectural Committee approval, shall be appropriately screened, and maintained in a sanitary condition.

4.20 Building and Landscaping. Within two (2) years after conveyance of title to a Building Lot to a purchasing Owner (unless such time is extended by the Architectural Committee for good cause), such Owner shall construct the improvement and install the landscaping provided for in the plans and specifications approved by the Architectural Committee and shall thereafter maintain the improvement and landscaping on the Building Lot in a neat and attractive condition, including all necessary gardening to properly maintain and periodically replace when necessary the trees, plants, grass and other vegetation originally placed on the Building Lots by Grantor or included in such plans.

Prior to construction of improvements (not to exceed the two-year period) Owner shall additionally provide adequate irrigation and maintenance of existing trees and landscaping, shall control weeds, and maintain the property in a clean and safe condition free of debris or any hazardous condition.

The Board may adopt rules regulating landscaping permitted and required. In the event that any Owner shall fail to install and maintain landscaping in conformance with such rules or shall allow his landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board, or the Board of the Local Association of which such Owner is a Member, upon

fifteen (15) days' prior written notice to such Owner, shall have the right to correct such condition and to enter upon such Owner's property for the purpose of doing so, and such Owner shall promptly reimburse the Hulls Grove Association or Local 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 in Article VIII.

4.21 Exemption of Grantor. Nothing contained herein shall limit the right of Grantor to subdivide or resubdivide any portion of the Property, to grant licenses, to reserve rights-of-way and easements with respect to Common Areas to utility companies, public agencies or others, or to complete excavation, grading and construction of improvements to and on any portion of the Property owned by Grantor, or to alter the foregoing and its construction plans and designs, or to construct such additional improvements as Grantor deems advisable in the course of development of the Property so long as any Building Lot in the Property remains unsold and so long as such subdivision or construction does not materially detract from the quality of the Hulls Grove Plan. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise. Grantor shall have the right at any time prior to acquisition of title to a Building Lot by purchaser from Grantor to grant, establish and/or reserve on that Building Lot additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. Grantor may use any structures owned by Grantor on the Property as model home complexes or real estate sales or leasing offices. Grantor need not seek or obtain Architectural Committee approval of any Improvement constructed or placed by Grantor on any portion of the Property owned by Grantor. The rights of Grantor hereunder may be assigned by Grantor to any successor in interest to any portion of Grantor's interest in any portion of the Property, by an express written assignment recorded in the Office of the Ada County Recorder.

## ARTICLE V

### HULLS GROVE ("MASTER") ASSOCIATION

5.1 Organization of Hulls Grove Association. The Hulls Grove Association, Inc. ("Master Association") shall be organized by Grantor as an Idaho corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles,

By-Laws and this Declaration. Neither the Articles nor the By-Laws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration or with any Supplemental Declaration which Grantor might adopt pertaining to Halls Grove.

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. Memberships in the Master Association, shall be appurtenant to the Tract, Building Lot or other portion of the Property owned by such Owner. The memberships 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 Delegates who, acting on behalf of the Local Associations established for particular Tracts or on behalf of Grantor, shall cast the votes attributable to the Property Units in their respective Tracts or attributable to the portions of such Tracts owned by Grantor. The number of votes any Delegate may cast on any issue is determined by the number of full Property Units existing in the Tract which such Delegate represents of which Grantor owns. Any fractional Property Unit existing after the Property Units in such Tract are totaled shall not be counted. For voting purposes, the Master Association shall have two (2) classes or delegates as described below.

5.3.1 Class A Delegates. Delegates representing Local Associations shall be known as Class A Delegates. Each Class A Delegate shall be entitled to cast one (1) vote for each Property Unit existing on the day of the vote and located within the Tract for which such Delegate is the representative.

5.3.2 Class B Delegate. The Grantor shall be known as the Class B Delegate. Grantor shall be the Class B Delegate for each Tract or portion thereof which Grantor owns, regardless of whether there is also a Local Association representing Owners including Grantor on such Tract. Upon the formation of the Master Association, the Class B Delegate shall be entitled to five (5) votes for each Property Unit of which Grantor is the Owner.

The Class B Delegate shall cease to be a voting Delegate in the Master Association when the total cumulative vote of the Class A Delegates equal or exceed

the total vote of the Class B Delegates provided that the Class B Delegate membership shall not cease before the expiration of ten (10) years from the date on which the first Building Lot is sold to an Owner. When the Grantor establishes a Tract as described herein, the Grantor shall acquire Delegate voting rights with respect to such Tract as provided in this Article.

5.3.3 Class C Members. The Class C member shall be all Owners, with the exception of the Grantor and the Delegates, and shall be entitled to no vote, except that Building Lots owned by such Class C members shall be counted for purposes of determining the number of votes of Class A members.

5.3.4 Only Delegates Vote. All voting power in the Master Association shall be exercised by Grantor acting as the Class B Delegate or by Delegates selected by the Local Associations as provided in Article VI, and no Member who is not a Delegate shall be entitled to vote. The Board shall recognize only one Delegate from each Local Association.

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 Directors may elect or appoint, in accordance with the Articles and By-Laws, as the same may be amended from time to time. The initial Board of Directors of the Master Association shall be appointed by the incorporators or their successors and shall hold office until the first annual meeting, at which time a new Board of Directors shall be elected in accordance with the provisions set forth in the By-Laws.

5.5 Power and Duties of the Hulls Grove Master Association.

5.5.1 Powers. The Master Association shall have all the powers of a non-profit corporation organized under the general non-profit 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 By-Laws, this Master Declaration and any Supplemental Declaration which Grantor might adopt pertaining to Hulls Grove. It 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 any Supplemental Declaration, the Articles and By-Laws, 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 Areas and its 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 Owners or any portion of the property and to force payment of such Assessments, all in accordance with the provisions of this Declaration.

5.5.1.2 Right of Enforcement. The power and authority from time to time in its own name, on its own behalf or in behalf of any Owner or Owners who consent 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 By-Laws, including the Master Association rules adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof.

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 with a Local Association for the maintenance, repair, replacement and operation of the Local 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.

5.5.1.4 Association Rules. The power to adapt, amend and repeal by majority vote of the Board such rules and regulations as the Master Association deems reasonable. The 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 By-Laws or any Supplemental Declaration Grantor may adopt pertaining to any portion of Hulls Grove. 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 and a copy shall be posted in a conspicuous place within the Common Area. Upon such mailing or delivery and posting, the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Master Declaration. In the event of any conflict between such rules and any other provisions of this

Declaration, or any Supplemental Declaration, or the Articles or By-Laws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Master Declaration, such Supplemental Declaration, the Articles or the By-Laws 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 maintenance, preservation and enjoyment of the Common Area and for the preservation of the health, safety, convenience and 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;

5.5.1.6.2 Public sewers, storm drains, water drains and pipes, water supply systems, sprinkling systems, heating and gas lines or pipes; and

5.5.1.6.3 Any similar public or quasi-public improvements or facilities.

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 Master 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 it by the Master Declaration and/or the Articles, 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 Common Areas.** Operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Area (other than Local Common Areas), public rights-of-way, and Waterways, including the repair and replacement of property damaged or destroyed by casualty loss and all other property acquired by the Master Association. All Waterways shall be maintained in accordance with sound hydrological principles, with particular attention to the protection and husbandry of the aquatic habitat. The Master Association shall be responsible for maintaining any lake constructed on the Property even though the lake extends over Building Lots, up to the edge of any Improvement on each Building Lot extending into, on, over or under the water. The Board of Directors, on behalf of the Master Association, may contract with a Local Association for the operation, management and maintenance of Local Common Areas.

**5.5.2.2 Taxes and Assessments.** Pay all real and personal property taxes and assessments separately levied against the Hulls Grove Common Area or against Hulls Grove, 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 they 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. In addition, the Master Association shall pay all other taxes, federal, state or local, 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.

**5.5.2.3 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 Hulls Grove Common Area, and to manage for the benefit of Hulls Grove all water rights and rights to receive water held by the Master Association, whether such

rights are evidenced by license, permit, claim, stock ownership or otherwise.

5.5.2.4 Insurance. Obtain, 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, including, without limitation the following policies of insurance:

5.5.2.4.1 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 Hulls Grove Common Area.

5.5.2.4.2 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 Hulls Grove 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 1000,000 per occurrence with respect to property damage.

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

5.5.2.4.4 Such other insurance including motor vehicle insurance and Workmen'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.

5.5.2.4.5 The Master 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.

5.5.2.4.6 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.

5.5.2.4.7 Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for PUD projects established by Federal National Mortgage Association ("FNMA"), the Government National Mortgage Association ("GNMA"), and the Federal Home Loan Mortgage Corporation ("FHLMC"), so long as any of which is a mortgagee or Owner of a Building Lot within the project, except to the extent such coverage is not available or has been waived in writing by the FNMA, GNMA or FHLMC, as applicable.

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

5.5.2.6 Architectural Committee. Appoint and remove members of the Architectural Committee, subject to the provisions of this Master Declaration.

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

5.6 Personal Liability. No member of the Master Association 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 Architectural 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 him, has acted in good faith without willful or intentional misconduct.

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

5.7.1 A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of each fiscal year.

5.7.2 A balance sheet, as of an accounting date which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a Building Lot and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within sixty (60) days after the accounting date. The operating statement shall include a schedule of assessments received and receivable, identified by the lot number and the name of the person or entity assigned.

5.7.3 Within thirty (30) days after the close of each fiscal year, the Master Association shall cause to be prepared and delivered 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 fiscal year. Copies of balance sheet shall be distributed to each Member within ninety (90) days after the end of each fiscal year.

5.8 Meetings of Master Association. Each year the Master Association shall hold at least one meeting of all Members, including all Delegates, according to the schedule for such meetings established by the By-Laws; provided, that such meeting shall occur no earlier than April 15 and no later than May 31 each year. Notice for all Master Association meetings shall be given by regular mail or telegram to all Delegates not less than ten (10) days nor more than thirty (30) days before the meeting and shall set forth the place, date and hour of the meeting and the nature of the business to be conducted. All meetings shall be held within the Property or as close thereto as practical at a reasonable place selected by the Board. The presence at any meeting in person of the Class B Delegate where there is such a Delegate, and of the Class A Delegate representing Owners holding at least more than thirty percent (30%) of the total votes of all Class A Delegates shall

constitute a quorum. If any meeting cannot be held because a quorum is not present, the Delegate(s) present may adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was called. A second meeting may be called as the result of such an adjournment, provided notice is given as provided above. At any such meeting properly called, the presence of any Delegate shall constitute a quorum.

## ARTICLE VI

### LOCAL ASSOCIATIONS AND RECREATION ASSOCIATIONS

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

6.2 Management, Powers and Duties. Each Local Association and Recreation Association shall be managed in the same manner specified in the Applicable Supplemental Declaration or other instrument and/or in the Articles and By-Laws of the 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 also shall be free of personal liability as to the Local Association and Recreation 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 it remains an Owner, in the respective Tracts designated in the Supplemental Declarations. 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 on a single vote will be determined according to the number of

Property Units existing on that portion of the Property the Member owns, in the same manner and amounts as votes are allocated to Delegates in section 5.3. 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 Property Units on the Building Lot.

6.4.1 Class A Members. Class A Members shall be all Owners, except Grantor, owning portions of the Tract covered by the Local Association. The Grantor shall become a Class A member when the Class B membership ceases, as described in paragraph 6.4.2, with Grantor remaining an Owner. Each Class A Member shall have one (1) vote for each Property Unit he owns in that Tract.

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 Property Unit which Grantor owns in that Tract. The Class B membership in such Local Association shall cease when the total cumulative votes exercisable in the Class A membership for that Tract equal or exceed the total votes exercisable in the Class B membership, provided that the Class B membership shall not cease before the expiration of ten (10) years from the date the first Building Lot in the Tract covered by the Local Association is sold to an Owner.

The votes attributable to the Property Units in each Building 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 or votes shall be cast, they shall lose their right to vote on the matter in question. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that he was acting with authority and consent of all other Owners of the Property Unit 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 his 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 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 April 5th of the year following the first sale of a Building Lot in the tract covered by such Local Association. Such meeting shall be held on the Tract 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 sent to each Member of the Local Association no fewer and no more than thirty (30) days before the meeting as provided in the Local Associations By-Laws 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) 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 and/or By-Laws.

6.7 Election of Class A Delegates. At the first meeting of the Members in a Local Association and at each subsequent annual meeting, such Members shall elect the Class A Delegate to represent them by a majority of all votes cast. Such Class A Delegate shall continue to be a Class A Delegate for one (1) year or until his successor is elected, whichever is later, unless such Class A Delegate is removed by a vote or written consent of members representing a majority of the votes in such Local Association.

6.8 Delegate Voting. Each Delegate of a Local Association shall be a Class A Delegate and will be entitled to vote as provided in Section 5.3 and shall cast the votes which he represents in such manner as he may, in his sole discretion, deem appropriate unless he is directed by vote of the Local Association to cast the votes in a different manner. When a Class A Delegate is voting in his own discretion without instruction from the Members he represents, then such Delegate shall cast all of the votes which he represents as a unit and may not apportion some in favor of a given proposition and some in opposition.

6.9 Quorum and Officers of Meetings. The presence at any regular or special meeting, in person or by written proxy, of the Members entitled to vote at least twenty-five percent (25%) of the total votes within such Local Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Owners or Members present, either in person or by proxy, may adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was called. At such second meeting a quorum shall constitute the number of members specified in the