

MASTER
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SURPRISE VALLEY¹ PLANNED RESIDENTIAL DEVELOPMENT

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SURPRISE VALLEY RESIDENTIAL DEVELOPMENT is made effective as of the 23 day of June, 1995, by the Surprise Valley Partnership, an Idaho general partnership ("Grantor" and "Class B Member"). All capitalized terms not otherwise defined are defined in Article III.

¹"Surprise Valley" is a registered trademark/servicemark exclusively owned and controlled by Surprise

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ARTICLE I: RECITALS

1.1 Property Covered. The property potentially subject to this Master Declaration of Covenants, Conditions and Restrictions For Surprise Valley Planned Residential Development is the property legally described in Exhibit A attached hereto and made a part hereof which property consists of approximately 223 acres approved by the City of Boise City for the development of up to 800 residential units ("Surprise Valley"). Grantor intends to develop the Property in multiple development Phases, as defined below. Each Phase, and any property otherwise annexed into Surprise Valley shall be subject to this Master Declaration through a Supplemental Declaration, and all property made subject to this Master Declaration shall be referred to as the "Property." Unless and until a Supplemental Declaration is filed with the Ada County Recorder's Office, no property located within Surprise Valley or otherwise shall be subject to this Master Declaration. Each Owner, by accepting a deed to any portion of the Property, acknowledges and agrees that Grantor is under no obligation to subject any portion of Surprise Valley to this Master Declaration.

1.2 Residential Development. Surprise Valley is a residential development which Grantor currently intends to develop in accordance with existing development approvals obtained by Grantor from the City of Boise City, or any other development plan(s) for which Grantor may from time to time obtain approval from the City of Boise City (the "Development Plan"). The Property will be developed for single-family residential homes, including, without limitation, single-family detached housing, Apartments, Townhomes, Condominiums and Recreation Facility(ies).

1.3 Purpose of Master Declaration. The purpose of this 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 any and all portions of the Property. The Restrictions are designed to protect, enhance and preserve the value, amenities, desirability, and attractiveness of the Property; to ensure a well-integrated, high quality development; and to guarantee adequate maintenance of the Common Area, Restricted Area and Maintenance Property, including any Improvements located thereon in a cost effective and administratively efficient manner.

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 terms and Restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms and Restrictions set forth herein shall run with the land constituting the Property, and with each estate therein, and shall be binding upon any Person having or acquiring

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3.8 "Barber Pool" shall mean that area north of the Property currently owned and maintained by the Idaho Foundation for Parks and Lands, Inc. as a wildlife habitat area.

3.9 "Barber Pool Fence" shall mean that certain fence erected along the northerly boundary of the Property and adjacent to the New York Canal in order to keep Persons and domesticated animals from entering the Barber Pool.

3.10 "Board" shall mean the Board of Directors or other governing board or individual, if applicable, of the Master Association. The Board shall be comprised of the Delegates appointed by the Local Associations, Phases and/or the Grantor to the Master Association.

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

3.12 "Building Lot" shall mean a lot within a Phase of Surprise Valley as specified or shown on any Plat and/or by Supplemental Declaration, upon which Improvements may be constructed. For voting, membership and Assessment purposes herein, "Building Lot" shall mean each single-family detached residential dwelling and each Townhome or Condominium, but excluding any Apartment and Apartment Complex. Building Lot shall not include any Common Area or Restricted Area.

3.13 "Bylaws" shall mean the Bylaws of an Association.

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

3.15 "Condominium" shall mean a condominium as defined in Idaho Code § 55-1501 et seq., as amended from time to time.

3.16 "Delegate(s)" shall mean a person selected by Members of a Local Association or Owners within a Phase, and Grantor until Grantor's Class B Membership terminates, to represent the interests of Members of the Local Association, Owners within a Phase and Grantor, respectively, at the Master Association and the Recreation Facility Association. All Delegates to the Master Association shall comprise the members of the Board and all Delegates to the Recreation Facility Association shall comprise the Recreation Facility Association Board. Members of a Local Association or Owners within a Phase, and Grantor until Grantor's Class B Membership terminates, shall elect separate Delegates to the Master Association and the Recreation Facility Association; provided however, that the same Person can be the Delegate to the Master Association and the Recreation Facility Association.

3.17 "Design Committee" shall mean the Design Committee created by Grantor pursuant to Article XII hereof.

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

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

3.20 "Front Lot Line" shall mean the line represented by the connection of the most distant corners of a Building Lot, including flag lots, where said corners are in common with the boundary of a public or private road. For corner Building Lots, the Front Lot Line may be designated on the plat.

3.21 "Grantor" shall mean Surprise Valley Partnership, an Idaho general partnership, or its successors in interest, or any Person to whom the rights under this Master Declaration are expressly transferred, in whole or in part, other than a transfer to individual Building Lot Owners, by Surprise Valley Partnership or its successors.

3.22 "Improvement" shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed, placed upon or allowed on, under or over any portion of the Property, including, without limitation, residential structures, accessory buildings, fences, streets, drives, driveways, parking areas, sidewalks, bicycle paths, curbs, landscaping, walls, hedges, plantings, trees, wildlife habitat improvements, living and/or dead vegetation, rocks, signs, lights, mail boxes, electrical lines, pipes, pumps, ditches,

Waterways, recreational facilities, grading, road construction, utility improvements, removal of trees and other vegetation, plantings, and landscaping, and any new exterior construction or exterior improvement which may not be included in the foregoing. Improvement(s) includes both original improvements existing on the Property on the date hereof and all later changes and Improvements.

3.23 "Limited Assessment" shall mean a charge against a particular Owner, other than Apartment Complex Owners, and such Owner's Building Lot, directly attributable to the Owner, equal to the cost incurred by the Master Association, Recreation Facility Association or Local Association in connection with corrective action performed pursuant to the provisions of this Master Declaration or any Supplemental Declaration, including, without limitation, damage to any Common Area, Restricted Area, Maintenance Property or the failure of an Owner to keep his/her/its Building Lot in proper repair, and including interest thereon as provided in this Master Declaration or a Supplemental Declaration. All Limited Assessments by the Recreation Facility Association and any Local Association shall be levied through the Master Association.

3.24 "Local Association(s)" shall mean any profit or not-for-profit Idaho corporation or unincorporated association, or the successors of any of them, organized and established by Grantor or Owners/Members of a particular Phase pursuant to or in connection with the terms of this Master Declaration or a Supplemental Declaration recorded by Grantor for any individual Phase. A Local Association shall have no right, title or interest in the name "Surprise Valley," stylized or otherwise, or any logo in connection therewith.

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

3.26 "Local Association Rules and Regulations" shall mean those rules and regulations promulgated by any Local Association Board and approved by the Board, governing conduct upon and use of property of Local Association Owners/Members, the imposition of fines and forfeitures for violation of Local Association Rules and Regulations, and procedural matters for use in the conduct of business of the Local Associations.

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

Common Area or Restricted Area it deems necessary and/or beneficial to the Property. Local Common Area may include easement and/or license rights.

3.28 "Maintenance Property" shall mean any real or personal property within the general vicinity of the Property not owned by any Association, but which the Master Association operates and/or maintains for the benefits which will accrue to the Property and its Owners, including, without limitation, any signs, benches, lights, trails, parks, or other open space and lands.

3.29 "Master Association" shall mean the Idaho profit or non-profit corporation, or its successors, organized and established by Grantor to exercise the powers and to carry out the duties set forth in this Master Declaration or any Supplemental Declaration. Grantor shall have the power, in its discretion, to name the Master Association the "SV Homeowners' Association, Inc.", or any similar name which fairly reflects its purpose. The Master Association shall have no right, title or interest in the name "Surprise Valley," stylized or otherwise, or any logo in connection therewith.

3.30 "Master Declaration" shall mean this Master Declaration as it may be amended and supplemented from time to time.

3.31 "Member" shall mean each Owner holding a membership in the Master Association, including Grantor. Where specific reference or the context so indicates, it shall also mean Owners holding membership in the Recreation Facility Association and any Local Association, including Grantor. Owners of Apartment Complexes shall not be Members of any Associations.

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

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

3.34 "Oversized Vehicles" shall be defined as vehicles which are too high or too wide to clear the entrance of a normal residential garage door opening.

3.35 "Owner" shall mean the record owner, whether one or more Persons, including Grantor, holding fee simple interest of record to a Building Lot which is a part of the Property, and buyers under executory contracts of sale, but excluding those Persons having such interest merely as security for the performance of an obligation, unless and until such Person has acquired fee simple title pursuant to foreclosure or other proceedings. For purposes of Association membership, voting and Assessments, Apartment Complex Owners shall not be "Owners".

3.36 "Party Wall" shall mean any common wall between two (2) single-family residences which is also the legal dividing line between the two (2) residences.

3.37 "Person(s)" shall mean any individual, partnership, corporation, trust, estate or other legal entity, including Grantor.

3.38 "Phase" shall mean a defined portion of the Property which has been designated as a Phase by recorded Supplemental Declaration. Each Phase shall contain one or more Building Lots, and may, in Grantor's discretion, be managed to the extent permitted herein by a Local Association.

3.39 "Plat" shall mean any subdivision plat covering any portion of the Property as recorded in the Ada County Recorder's Office as the same may be amended by duly recorded amendments thereof.

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

3.41 "Property" shall mean those portions of the property described on Exhibit A subjected to this Master Declaration by recorded Supplemental Declaration, including, without limitation, each lot, parcel and portion thereof and interest therein.

3.42 "Recreation Facility Association" shall mean any profit or not-for-profit Idaho corporation or unincorporated association, or its successors, organized and established by Grantor pursuant to or in connection with the terms of this Master Declaration. The Recreation Facility Association shall have no right, title or interest in the name "Surprise Valley," stylized or otherwise, or any logo in connection therewith.

3.43 "Recreation Facility Board" shall mean the Board of Directors or other governing board or individual, if applicable, of the Recreation Facility Association. The Recreation Facility Board shall be comprised of the Delegates appointed by the Local Associations, Phases and/or the Grantor to the Recreation Facility Association.

3.44 "Recreation Facility(ies)" shall mean all real and personal property in which the Recreation Facility Association holds an interest or which is held or maintained for the mutual use and benefit of such Recreation Facility Association and its Members. The Recreation Facility(ies) shall be established from time to time by Grantor on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designating it as such

in this Master Declaration or in any Supplemental Declaration. In addition, the Recreation Facility Association may acquire any other real or personal property it deems necessary and/or beneficial to its Members. The Recreation Facility(ies) may include easement and/or license rights.

3.45 "Recreation Facility Rules and Regulations" shall mean those rules and regulations promulgated by the Recreation Facility Association Board governing conduct upon and use of the Recreation Facility(ies), the imposition of fines and forfeitures for violation of Recreation Facility Association Rules and Regulations, and procedural matters for use in the conduct of business of the Recreation Facility Association.

3.46 "Regular Assessment" shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Area, Restricted Area and the Maintenance Property, including all Improvements located thereon, and the other costs and expenses incurred to conduct the business and affairs of an Association which is levied against the Building Lot of each Owner by the Master Association, Recreation Facility Association or applicable Local Association, pursuant to the terms of this Master Declaration or a Supplemental Declaration. All Regular Assessments by the Recreation Facility Association and any Local Association shall be levied through the Master Association.

3.47 "Restricted Area" shall mean that portion of the Property which is not Common Area or Building Lots, but is owned or leased, operated and maintained by the Master Association, or any Local Association. Restricted Area may be established from time to time by Grantor on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designating it as such in this Master Declaration, any Supplemental Declaration or the Design Guidelines. In addition, the Master Association may acquire any Restricted Area it deems necessary and/or beneficial to the Property and/or the Owners. Restricted Area may include easement, lease and/or license rights. Restricted Area shall not be subject to use by Members, Owners or the Public; provided however, that the Master Association shall have the power to convert any Restricted Area into Common Area or to allow limited or selective uses of the Restricted Area.

3.48 "Restricted Vegetation" shall mean a tree or other vegetation which is either evergreen, or if deciduous, tends to retain its leaves late in the fall and/or drop them late in the spring, or has a dense branching pattern which generally tends to block a high level of the sun's rays during the heating season (refer to the list of "solar friendly" trees on file with the Boise City Public Works and the Community Planning and Development Departments).

3.49 "Rim Lots" shall mean those Building Lots which are designated by Grantor as such on any recorded Plat, deed or other instrument, or by designating

them as such in this Master Declaration, any Supplemental Declaration or the Design Guidelines.

3.50 "Shade" shall mean that portion of the shadow cast by the shade point of a structure or vegetation which exceeds the 11.5 foot fence at the Solar Lot Line at solar noon, January 21.

3.51 "Shade Point" shall mean that part of a structure, tree or other object, on a Shade Restricted Lot, which casts the longest shadow (the most northerly shadow) when the sun is due south on January 21st at an altitude of twenty-six (26) degrees above the horizon, except a shadow caused by a narrow object such as a chimney, antenna, utility pole, wire, etc.

3.52 "Shade Point Height" shall mean the vertical distance or height measured from the average elevation at the Solar Lot Line to the Shade Point. If the Shade Point is located at the north end of a ridge line or a structure oriented within 45 degrees of a geodetic north-south line, the Shade Point Height computed according to the preceding sentence may be reduced by 3 feet. If a structure has a roof oriented within 45 degrees of the geodetic east-west line with a pitch which is flatter than 6 feet (vertical) in 12 feet (horizontal), the Shade Point will be the cave of the roof. If such a roof has a pitch which is 6 feet in 12 feet or steeper, the Shade Point will be the peak of the roof.

3.53 "Shade Restricted Lot" shall mean any Building Lot that is southerly of and adjacent to a Solar Lot. These Building Lots have some restriction on vegetation types and structure height.

3.54 "Solar Friendly Vegetation" shall mean a tree or other vegetation which is included on the "solar friendly" vegetation list kept by the City of Boise's Public Works and Community Planning and Development Departments.

3.55 "Solar Lots" shall mean a Building Lot which has the following characteristics:

1. The Front Lot Line is oriented within thirty (30) degrees of a geodetic east/west bearing;
2. The Building Lot to the immediate south has a north slope of ten (10) percent or less;
3. Is intended for the construction of an above ground inhabited structure.

3.56 "Solar Lot Line" shall mean the most southerly boundary of a Solar Lot: the line created by connecting the most distant southerly corners of the Solar Lot.

3.57 "Solar Setbacks" shall mean the minimum distance, measured perpendicular in a southerly direction, from the center of the Solar Lot Line to the Shade Point of a structure or to Restricted Vegetation based upon its height at maturity on the Shade Restricted Lot.

3.58 "Special Assessment" shall mean that portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized to be paid to the Master Association, Recreation Facility Association or applicable Local Association, pursuant to the provisions of this Master Declaration or a Supplemental Declaration. All Special Assessments by the Recreation Facility Association and any Local Association shall be levied through the Master Association.

3.59 "Supplemental Declaration" shall mean any Supplemental Declaration including additional covenants, conditions and restrictions that might be adopted by Grantor with respect to any Phase or any portion of the Property.

3.60 "Townhomes" shall mean any development approach in which Building Lots are reduced in size and/or sited closer together in clusters. Townhomes may include zero lot line units, attached units and detached units, excluding Condominiums and Apartments.

3.61 "Waterway" shall mean any surface water amenity, including, without limitation, any lake, pond, channel, slough, stream, or reservoir, natural or artificial, which is located on the Property.

3.62 "Wintering Bald Eagle Habitat Management Plan" shall mean that certain plan to prevent or reduce any adverse effects which the development of the Property may have upon the Barber Pool and/or the bald eagles which winter in the Barber Pool. The plan has been or shall be prepared by the Grantor and has been or shall be approved as provided in the development approvals obtained by Grantor from the City of Boise City.

ARTICLE IV: GENERAL AND SPECIFIC RESTRICTIONS

4.1 Improvements - Generally. All Improvements are to be designed, constructed and used in such a manner as to promote compatibility between the types of uses contemplated by this Master Declaration. Specific design and construction guidelines are contained in the Design Guidelines. The Design Guidelines and the general instructions set forth in this Master Declaration shall govern the right of a Person or Owner, excluding the Grantor, to construct, reconstruct, refinish, remove, add, alter or maintain any Improvement upon, under or above the Property, and to make or create any excavation or fill on the Property, or make any change in the natural or existing surface contour or drainage, or install any utility line or conduit on, under or over the Property, including, without limitation, any Building Lot. All

Improvements by any Owner/Member, excluding Grantor, must be pre-approved in writing by the Design Committee prior to their construction or reconstruction.

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

The Master Association, Recreation Facility Association, or any affected Local Association, after reasonable notice to the offender and/or to the Owner, may remove any Improvement constructed, reconstructed, refinished, removed, added, altered or maintained in violation of this Master Declaration and/or the Design Guidelines and the Owner of the Improvements shall immediately reimburse the applicable Association for all expenses incurred with such removal. Each violation of this Master Declaration and the Design Guidelines is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against an Owner and/or Member shall be applicable.

4.2 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, including trees and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or damages property or facilities on or adjoining his or her Building Lot, the applicable Local Association of which such Owner is a Member (or the Master Association if the applicable Association fails to act or if no applicable Association exists), upon thirty (30) 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 applicable Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments as set forth herein. The Owner of the offending property shall be personally liable, and such Owner's 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 Owner as Regular Assessments.

4.3 Landscaping. The Design Committee shall adopt guidelines regulating landscaping permitted and required. In the event that any Owner shall fail to install and maintain landscaping in conformance with such guidelines, or shall allow such Owner's landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the applicable Local Association of which such Owner is a Member (or the Master Association if the applicable Association fails to act or if no applicable Association exists), upon thirty (30) 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 applicable Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments as set forth herein. The Owner of the offending property shall be personally liable, and such Owner's 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 Owner as Regular Assessments.

4.4 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, including the Common Area and Restricted Area or vacant Building Lots, and no odor shall be permitted to arise from any portion of the Property so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the Property or to its occupants or residents, or to any other property in the vicinity thereof or to its occupants or residents. No business or home occupation, no noise, no exterior fires, no obstructions of pedestrian walkways, no unsightliness, or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to the Property or to its occupants or residents or to other property in the vicinity or to its occupants or residents, as determined by an Association, in its reasonable judgment, or in violation of any state or local law or ordinance. Without limiting the generality of any of the foregoing, no whistles, bells or other sound devices (other than security devices used exclusively for security purposes which have been approved by the Design Committee), flashing lights or search lights, shall be located, used or placed on the Property without the prior written approval of the Design Committee. No unsightly articles shall be permitted to remain on any Building Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage, trash, equipment, gas canisters, propane gas tanks, barbecue equipment, heat pumps, compressors, containers, lumber, firewood, grass, shrub or tree clippings, plant ways, metals, bulk material, and scrap shall be kept at all times in such containers and in areas

approved by the Design Committee. No clothing or fabric shall be hung, dried or aired in such a way as to be visible to any other portion of the Property.

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

4.6 No Mining or Drilling. No portion of the Property shall be used for the purpose of blasting, mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, sand, gravel or earth. This Section 4.6 shall not prohibit exploratory drilling or coring which is necessary to construct Improvements.

4.7 Insurance Rates. Nothing shall be done or kept on any Building Lot which will increase the rate of, or cancel any 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 portion of the Property owned or managed by any Association or which would be in violation of any law.

4.8 Vehicles and Equipment. The use of all vehicles and equipment, including, without limitation, trucks, automobiles, bicycles, motorcycles, recreational vehicles, all-terrain vehicles, motor homes, motor coaches, campers, trailers, snowmobiles, aircraft, boats, snow removal equipment, garden maintenance equipment, and yard maintenance equipment shall be subject to any of the Project Documents which prohibit or limit the use thereof within the Property. Without limiting the foregoing, the following specific restrictions apply: 1) all on-street parking shall be limited to those specific areas where on-street parking is not expressly prohibited; 2) vehicles shall not extend or otherwise be permitted on or into any sidewalk, bicycle path, pedestrian path, or Waterway unless such vehicle is engaged in an emergency procedure, or as provided elsewhere in the Project Documents; 3) no motor homes, motor coaches, campers, trailers, snowmobiles, aircraft, boats, recreational vehicles, all-terrain vehicles, Abandoned or Inoperable Vehicles, Oversized Vehicles, dilapidated or unrepaired and unsightly vehicles or similar equipment such as snow removal equipment, garden maintenance equipment and all other unsightly equipment and machinery shall be placed upon any portion of the Property including, without limitation, streets, parking areas and driveways, unless the same are enclosed by a structure concealing them from view in a manner approved by the Design Committee; 4) to the extent possible, garage doors shall remain closed at all times; and 5) the use of any electronic, gas or other fuel operated gardening, yard or snow removal equipment shall only be allowed from 8:00 a.m. to 8:00 p.m.

4.9 Animals/Pets. No animals, birds, insects, pigeons, poultry or livestock shall be kept on the Property, except as provided in any Supplemental Declaration;

provided, however, that the Grantor and/or the Master Association may breed and raise horses and cattle on that particular real property more particularly described on Exhibit B which is attached hereto and made a part hereof. In the event this particular property is no longer under the control of the Grantor and/or the Master Association, the rights granted the Grantor and Master Association under this Section 4.9 shall terminate. This Section 4.9 is not intended to prohibit the keeping of domesticated dogs, domesticated cats, and other household pets which do not unreasonably bother or constitute a nuisance to others as determined by the Board or applicable Local Association Board, in its reasonable judgment, and are kept in compliance with the laws and ordinances of the City of Boise City. Without limiting the generality of the foregoing, consistent and/or chronic barking by dogs shall be considered a nuisance. Additionally, without limiting the generality of the foregoing, domesticated dogs, domesticated cats, and other household pets discovered in the Barber Pool shall be considered a nuisance. Each dog in Surprise Valley shall be subject to all "leash laws" of the City of Boise City when such animal is off the premises of its owner. Animal structures are governed by the Design Guidelines.

4.10 No Mobile Homes or Temporary Structures. No house trailer, mobile home, tent (other than for short term recreational use), shack or other temporary building, improvement or structure shall be placed upon any portion of the Property, except temporarily as may be required by construction activity undertaken on the Property.

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

4.12 Grading. The Owner of any Building Lot within the Property in which grading or other work has been performed pursuant to a grading plan approved under applicable provisions of the Boise City Code or by the Design Committee, shall maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, means or devices which are not the responsibility of any public agency, and plantings and ground cover installed or completed thereon. Such requirements shall be subject to Regular, Special, and Limited Assessments provided for herein.

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

accordance with the requirements, standards and recommendations of the Design Committee and Grantor, so long as Grantor is the Owner of Building Lots.

4.14 Sewage Disposal Systems. No individual sewage disposal system shall be used on the Property. Each Owner shall connect the appropriate facilities on such Owner's Building Lot to the Boise City Sewer system and pay all charges assessed thereon.

4.15 Water Rights Appurtenant to Subdivision Lands. Grantor owns certain water rights which are appurtenant to the Property and which may be utilized in the dual irrigation system which will supply non-potable irrigation water to the Property. Upon conveyance of the Building Lots to Owners, Grantor shall reserve in itself any and all water rights appurtenant to the Property, and accordingly, Owners of any and all Building Lots shall have no right, title or interest in any of said water or water rights.

4.16 Energy Devices, Outside. No energy production devices, including, without limitation, generators of any kind and solar energy devices, shall be constructed or maintained on any portion of the Property without the written approval of the Design Committee, except for heat pumps shown in the plans approved by the Design Committee. This Section 4.16 shall not apply to passive solar energy systems incorporated into the approved design of a residential structure.

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

4.18 Antennae. No exterior radio antenna, television antenna, satellite dish antenna or other antenna of any type shall be erected or maintained on the Property unless it is not visible to the public or visible from any ground floor elevation of a Building Lot, and located or screened in a manner acceptable to the Design Committee.

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

4.20 Leasing. The Owner of a Building Lot shall have the right to lease such Building Lot and residential dwelling thereon, subject to the following conditions: 1) all leases shall be in writing; 2) the lease shall be specifically subject to the Project Documents, and any failure of a tenant to comply with the Project Documents shall be a default under the Lease; and 3) the Owner shall be liable for any violation of the Project Documents committed by the tenants of the Owner, without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant.

4.21 Grantor's Right of Development. Nothing contained herein shall limit the right of Grantor to grant licenses, to reserve rights-of-ways and easements for utility companies, public agencies or others, or to complete excavation, grading and construction of Improvements to and on any portion of the Property owned by Grantor, including the Recreation Facility(ies), 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. 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 Grantor's business of completing the work and disposing of the same by sales, lease or otherwise. Grantor shall have the right at any time prior to acquisition of title to a Building Lot by a purchaser to grant, establish and/or reserve on that Building Lot additional licenses, reservations and rights-of-way to Grantor, to utility companies, or to others as may from time to time be reasonably necessary for 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 Master Association, Recreation Facility Association, Local Association or Design 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 in connection with Grantor's interest in any portion of the Property, by an express written assignment recorded in the Ada County Recorder's Office.

Grantor, in Grantor's sole discretion and in accordance with all applicable City of Boise City zoning laws, may amend and modify the Development Plan. By acceptance of a deed to any property in Surprise Valley, each Owner of such property thereby acknowledges and agrees the Development Plan for the Property may be amended, modified or changed in Grantor's sole discretion, so long as the Development Plan is consistent with the City of Boise City's zoning laws. Each Owner by acceptance of a deed to any Building Lot or other property within Surprise Valley agrees that such Owner shall not object to or oppose any development of any portion of the Property, or other property owned by Grantor and annexed to the Property. Such agreement not to oppose development is a material consideration to the conveyance of any portion of the Property by Grantor to any and all Owners.

No provision of this Master Declaration shall be construed as to prevent or limit Grantor's right to complete development of the Property, including any subdivision or resubdivision of the Property, or to construct Improvements thereon, nor Grantor's right to maintain model homes, construction, sales or leasing offices or similar facilities on any portion of the Property, including the Common Area, Restricted Area or any public right-of-way, nor Grantor's right to post signs incidental to construction, sales or leasing.

4.22 Compliance with Laws. Subject to the rights of reasonable contest, each Owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances and other governmental or quasi-governmental regulations with respect to all or any portion of the Property, including, without limitation, any and all portions of the Property subject to wetlands regulation by the U.S. Army Corps of Engineers.

4.23 Access to Barber Pool and Compliance with the Eagle Management Plan. No Owner or other Person shall be allowed to enter into the Barber Pool. No Owner or other Person shall allow any of their animals or pets to enter the Barber Pool. In addition, all Owners must adhere to the guidelines enunciated in the Wintering Bald Eagle Habitat Management Plan which will be adopted by Grantor upon its completion Exhibit C, and made a part hereof. Owner acknowledges that as a condition to the development of Surprise Valley, the Wintering Bald Eagle Habitat Management Plan must be formulated. Owner also acknowledges that Owner's compliance with the Wintering Bald Eagle Habitat Management Plan is a material consideration to the conveyance of any Building Lot or other property within Surprise Valley by Grantor to any and all Owners.

ARTICLE V: MASTER ASSOCIATION

5.1 Organization of Master Association. The Master Association shall be initially organized by Grantor as an Idaho non-profit 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 Project Documents. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration. Grantor may, in its discretion, grant to the Master Association a revokable, non-exclusive license to use the name "Surprise Valley." Each Owner shall abide by and benefit from the provisions, covenants, conditions and restrictions contained in the Project Documents.

5.2 Membership. Each Owner other than Apartment Complex Owners, 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, except Grantor, shall have more than one membership in the Master Association. Memberships in the Master Association shall be appurtenant to the Phase, 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. The Master Association will have three (3) classes of memberships:

5.3.1 Class A Members. Class A Members shall be the Delegates of Local Associations whose Members are designated in a Supplemental Declaration as Members of the Master Association and a Local Association. Each Delegate shall be entitled to one (1) vote for each single-family detached Building Lot and between one-half (½) vote and one (1) vote for each Townhome or Condominium Building Lot (as designated in the Supplemental Declaration for Phases in which Townhomes and/or Condominiums are contained therein) owned by the Class C Members represented by such Delegate.

5.3.2 Class B Member. Grantor shall be the Class B Member, and shall be entitled to five (5) votes for each of the 800 approved residential units for Surprise Valley or 4000 votes, less five (5) votes for each Building Lot owned by someone other than Grantor. The Class B Member shall cease to be a voting Member in the Master Association at the earlier of: (1) Grantor has 1000 or less votes in the Master Association; or (2) on June 1, 2015.

5.3.3 Class C Members. The Class C Members shall be all Owners, with the exception of the Grantor and the Delegates. Class C Members shall not be entitled to vote in the Master Association except that Building Lots owned by such Class C Members shall be counted for purposes of determining the number of votes of the Class A Members as specified in Subsection 5.3.1.

All voting power in the Master Association shall be exercised by Delegates selected, as provided for in Article VI, and by Grantor, and no Member shall be entitled to cast his or her own vote.

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

5.4 Board of Directors and Officers. The affairs of the Master Association shall be conducted and managed by the Board and such officers as the Board may

elect or appoint, in accordance with the Articles and Bylaws, as the same may be amended from time to time. The Board shall be comprised of the Master Association Delegates, including Grantor's Delegate. For purposes of voting at Board meetings and for or against Board actions, each Master Association Delegate, including Grantor's Delegate, when acting in their capacity as Board members shall have the same number of votes as enunciated in Section 5.3 above.

5.5 Power and Duties of the Master Association.

5.5.1 Powers. The Master Association shall have all the powers of a non-profit corporation organized under the 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 Project Documents. The Master Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Master Association under Idaho law and under the Project Documents, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area, Restricted Area, Maintenance Property and the Master Association's other assets, including water rights when and if received from Grantor, and the performance of the other responsibilities herein assigned, including without limitation:

5.5.1.1 Assessments. The power to levy Assessments on behalf of itself, any and all Local Associations and the Recreation Facility Association, on any Owner and Association Member, or any portion of the Property as pursuant to the restrictions enunciated in this Master Declaration, and to force payment of such Assessments, all in accordance with the provisions of this Master Declaration. Local Associations and the Recreation Facility Association must levy their Assessments through the Master Association. This power shall include the right of the Master Association to levy Assessments on any Owner of any portion of the Property to cover the operation and maintenance costs of the Common Area, Restricted Area and the Maintenance Property.

5.5.1.2 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 restrain and enjoin any breach or threatened breach of the Project Documents, 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 to act as manager, and to contract with a Local Association for the

maintenance, repair, replacement and operation of any Common Area, Restricted Area or Maintenance Property. Neither the Master Association nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated. All contracts for management of any Common Area, Restricted Area or Maintenance Property shall be for a term not exceeding one (1) year, and shall be subject to review by the Board upon termination of the Class B membership.

5.5.1.4 Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Master Association deems reasonable. The Master Association may govern the use of the Common Area by the Owners, their families, invitees, licensees, lessees or contract purchasers, including, without limitation, the use of Common Area for organized recreational activities; provided, however, that any Association Rules shall apply equally to all Owners and shall not be inconsistent with this Master Declaration, the Articles or the Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Master Declaration. In the event such Association Rules are inconsistent with or less restrictive than any other provisions of this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, and/or Design Guidelines, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Master Declaration, Supplemental Declaration, the Articles, Bylaws, or Design Guidelines 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 portion of the 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 and Restricted Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the same, and for the preservation of

the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

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

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

5.5.1.6.3 Mailboxes and sidewalk abutments around such mailboxes or any service facility, berm, fencing and landscaping abutting common areas, public and private streets or land conveyed for any public or quasi-public purpose including, without limitation, pedestrian and bicycle pathways.

The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Master Association and may be granted at any time prior to twenty-five (25) 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 the Master Association by the Project Documents, without limiting the generality thereof, the Master Association or its agents, 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 Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, including the repair and replacement of property damaged or destroyed by casualty loss and including the maintenance, repair and replacement of those certain street lights along South Surprise Way beginning from Amity Road and running to the Property (the "Main Access Property"), which property is legally described on Exhibit C, and including any signs placed at the entrances to, or otherwise in the vicinity of the Property. All Waterways shall be maintained in accordance with sound

hydrological principles, with particular attention to the protection and husbandry of the wildlife habitat. The Master Association shall, at Grantor's sole discretion, operate and maintain all properties owned by Grantor which are designated by Grantor for temporary or permanent use by Members of the Master Association;

5.5.2.2 Operation and Maintenance of Restricted Area.

Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Restricted Area, including, without limitation, all public storm drainage pipes located on and through the Building Lots, the street lights located along South Surprise Way, and the repair and replacement of property damaged or destroyed by casualty loss.

Notwithstanding that the Master Association is obligated to maintain the public storm drainage pipes located on and through the Building Lots, it is hereby provided that the Ada County Highway District ("ACHD") may elect to maintain any part of said storm drainage pipes should the Master Association fail to maintain same.

In the event that ACHD determines, in its sole discretion, that the Master Association is not adequately maintaining these pipes, ACHD shall, before undertaking maintenance of same, provide written notice of its intention to begin maintenance of the storm drainage pipes within a thirty (30) day period, within which time frame the Master Association may undertake to initiate and conclude all maintenance defects as identified by ACHD. In the event that the Association shall fail to commence and conclude maintenance identified within the prescribed thirty (30) days, then in that event, ACHD may begin to undertake said maintenance. ACHD is hereby granted an irrevocable license and easement to enter upon any portion of the Property for inspection and maintenance of the storm drainage pipes. Should ACHD engage in maintenance of these pipes after having provided notice to the Master Association and having provided the Master Association an opportunity to undertake said maintenance, ACHD shall be entitled to and empowered to file a ratable lien against all Building Lots with power of sale as to and every Building Lot to secure payment of any and all assessments levied against any and all said Building Lots pursuant to this Master Declaration, together with interest at the rate which accrues on judgements thereon and all costs of collection which may be paid or incurred by ACHD in connection therein. ACHD may exercise their rights under Idaho Code by assessing the Building Lot Owners and certifying those assessments in the manner as real property tax. This action shall not be amended without prior written approval from ACHD.

The Master Association shall not be dissolved or relieved of its responsibility to maintain the defined storm drainage pipes without prior written approval from ACHD. The Master Association and all Owners by accepting title to a Building Lot agree that all Owners or Occupants within the Property are benefitted Owners for purposes of this Subsection 5.5.2.2;

5.5.2.3 Operation and Maintenance of Maintenance Property. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the any Maintenance Property the Master Association, in its sole discretion, has decided to operate and/or maintain due to the benefits flowing through to the Owners and Members, including, without limitation, any signs, benches, lights, trails, or parks. The rights and duties enunciated in this Subsection 5.5.2.3 shall include the right to levy Assessments on Owners as provided in Subsection 5.5.1.1;

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

5.5.2.5 Maintenance of Berms, Retaining Walls and Fences. Maintain any berms, retaining walls, fences, including the Barber Pool Fence, and water amenities within and abutting any Common Area, Restricted Area and Maintenance Property;

5.5.2.6 Maintenance of the Dual-Irrigation System. The operation and maintenance of the dual-irrigation system contemplated for the Property shall be operated and maintained by the Master Association, if and when Grantor, at Grantor's sole option, transfers and conveys said system to the Master Association;

5.5.2.7 Taxes and Assessments. Pay all real and personal property taxes and Assessments separately levied against the Common Area, Restricted Area or against the Property, the Master Association, any Local Association and/or any other property owned by the Master Association. Such taxes and Assessments may be contested or compromised by the Master Association, provided, however, that such taxes and Assessments are paid or a bond insuring payment is posted prior to the sale or disposition of any property to satisfy the payment of such taxes and Assessments. In addition, the Master Association shall pay all other federal, state and/or local taxes, including income

or corporate taxes levied against the Master Association and any Local Association in the event that the Master Association or any Local Association is denied the status of a tax exempt corporation;

5.5.2.8 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 Common Area, and to own and/or manage for the benefit of Surprise Valley all water rights and rights to receive water held by the Master Association, whether such rights are evidenced by license, permit, claim, decree, stock ownership or otherwise;

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

5.5.2.9.1 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 Common Area and Restricted Area;

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

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

5.5.2.9.4 Such insurance as required by Section 17.3(n) herein;

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

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

5.5.2.9.7 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.

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

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

5.5.2.12 Design Committee. Appoint and remove members of the Design Committee, subject to the provisions of this Master Declaration; and

5.5.2.13 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Master Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of the Project Documents and any and all laws, ordinances, rules and regulations of the City of Boise City and Ada County. Also including, without limitation, the recordation of any claim of lien with the Ada County Recorder's Office, as more fully provided herein.

5.6 Annual Meeting. The Master Association shall hold an annual meeting each year and the first annual meeting shall be held within the first six (6) months following the close of the first sale of a Building Lot. Subsequent regular annual

meetings of the Master Association shall be held as provided in the Bylaws. Special meetings may be called as provided for in the Bylaws. Notice of annual or special meetings of the Master Association shall be delivered, mailed or faxed to all Delegates and Members and shall be given not less than ten (10) days nor more than thirty (30) days prior to the time of said meeting and shall set forth the place, date and hour of the meeting, and the nature of the business to be undertaken, by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Delegates having one-quarter (1/4) of the total voting power within such Master Association. All meetings shall be held within the Property or as close thereto as practicable at a reasonable place selected by the chairman. The presence at any meeting in person or by proxy of Delegates representing more than sixty percent (60%) of the total voting power of the Master Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Delegates present may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, provided that the quorum requirement for such adjournment shall be Delegates representing no less than fifty percent (50%) of the total voting power thereof. The Delegates present at each annual meeting shall select a chairman to preside over meetings and a secretary to transcribe minutes of the meetings, until a successor chairman and/or secretary are selected. All Members of the Master Association are encouraged to attend all annual and special meetings of the Master Association, however, all voting shall be done through the Delegates.

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

5.7.1 A pro forma operating statement or budget representing both the Master Association and applicable Local Association for an Owner, for each fiscal year shall be available for distribution not less than sixty (60) days before the beginning of each fiscal year. The operating statement shall include a schedule of Assessments received and receivable.

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

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

5.9 Personal Liability. No Member of the Board, or member of any committee of the Master Association, or any officer of the Master Association, or Grantor, or the manager, if any, shall be personally liable to any Owner, or to any other party, including the Master Association and Local 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, Local Association, Local Association Board, the manager, if any, or any officer, committee, or other representative or employee of the Master Association or Local Association, Grantor, or the Design Committee, provided that such Person, upon the basis of such information as may be possessed by such Person, has acted in good faith without willful or intentional misconduct.

ARTICLE VI: LOCAL ASSOCIATIONS

6.1 Creation by Grantor. Grantor may create Local Associations as profit or non-profit corporations under the provisions of the Idaho Code relating to corporations, or Grantor may create such a Local Association as any unincorporated entity which Grantor deems appropriate. Grantor may, in its discretion, create a Local Association by means of a Supplemental Declaration, or create such Association by means of separate instruments, and may, in its discretion, grant to such Local Association a revokable, non-exclusive license to use the name "Surprise Valley."

6.2 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, but excluding Apartment Complex Owners, in the respective Phases designated in the applicable Supplemental Declaration. Memberships may be transferred only as specified in Section 5.2 for the Master Association. Members of a Local Association shall also be Members of the Master Association.

6.3 Voting in Local Associations. Each Local Association shall have two (2) classes of voting memberships:

6.3.1 Class A Members. Class A Members shall be the Owners of Building Lots within a Phase whose Owners are Members in the Local Association, excluding the Grantor, who shall be entitled to one (1) vote for each single-family detached Building Lot and between one-half (½) vote and one (1) vote for each Townhome or Condominium Building Lot (as designated in all Supplemental Declarations for Phases in which Townhomes and/or Condominiums are contained therein) owned by said Members of the Local Association.

6.3.2 Class B Member. Grantor shall be the Class B Member, and shall be entitled to five (5) votes for each single-family detached, Townhome and Condominium Building Lot owned by Grantor within the Phase whose Owners are Members of the Local Association. The Class B Member shall cease to be a voting Member in the Local Association at the earlier of: 1) the Class B Member holds no more than twenty-five (25%) of the Building Lots within the Phase; or 2) five (5) years from the date the first Building Lot within the Phase is conveyed.

6.4 Selection. Each Local Association representing a Phase shall in writing designate one (1) Delegate to the Master Association and one (1) Delegate to the Recreation Facility Association, if said Local Association contains Members who are also Members of the Recreation Facility Association, to exercise the voting power of all of the Members in such Phase in the manner provided herein. Local Associations may designate the same Person as the Delegate to the Master Association and the Recreation Facility Association. The chairman of any meeting at which a Delegate is elected shall certify in writing to the Board and the Recreation Facility Board the name of the Delegate elected, the time and place of the meeting at which the election occurred and the Local Association which the Delegate represents. A Delegate may be removed without cause by the vote in person or by proxy at any duly constituted annual or special meeting of at least a majority of the Members in the Local Association. Each Delegate will be entitled to cast one (1) vote for each single-family detached Building Lot and between one-half (½) vote and one (1) vote for each Townhome and Condominium Building Lot (as designated in all Supplemental Declarations for Phases in which Townhomes and/or Condominiums are contained therein) owned by Members, including Grantor, of the Local Association which the Delegate represents. Only Members of the Association for which the Delegates are selected shall be eligible for election as Delegates of said Local Association. Upon termination of any Delegate's membership in the Association for which he or she is selected, such Delegate's term of office shall immediately terminate, and a new Delegate shall be appointed by the Board or the Recreation Facility Board, as the case may be, until the next annual or special meeting at which a new Delegate can be elected. Each Delegate of the applicable Local Association shall cast the votes which he or she represents in such manner as he or she shall deem appropriate acting on behalf of all of the Members in the Local Association represented by such Delegate, provided, however, that as to any Special Assessment

or increase in Regular Assessment, or in the event that at least fifty-one percent (51%) of the voting membership in any Local Association shall determine at any duly constituted meeting of the Members in such Local Association to instruct their Delegate as to the manner in which he or she is to vote on any issue to be voted on by the Delegates; then, in either event, the Delegate representing such Local Association shall cast all of the voting power in such Local Association in the same proportion, as nearly as possible without counting fractional votes, as the Members in such Local Association shall have voted "for" and "against" such issue in person or by proxy regardless of the actual number of votes cast at the Local Association meeting. When a Delegate is voting in his or her own discretion without instruction from the Members whom he represents, then such Delegate shall cast all of the votes which he represents as a unit and may not apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be conclusively presumed for all purposes that any Delegate casting votes on behalf of the Members of a Local Association will have acted with the authority and consent of all such Members. All agreements and determinations lawfully made by the Master Association and Recreation Facility Association in accordance with the voting procedures established herein, and the Bylaws, shall be deemed to be binding on all Members, Owners, Grantor, and their respective successors and assigns.

Notwithstanding any of the foregoing, the Grantor, as the Class B Member of the Master Association, the Recreation Facility Association, and all Local Associations shall instruct the Grantor's Delegate to cast the Grantor's votes, as Grantor, in its sole and absolute discretion, shall determine.

6.5 Selection of Delegate(s) for Phases. In the event that there shall not be created a Local Association for the operation of a Phase, excluding Apartment Complex Phases, the Delegates to represent that Phase at the Master Association and the Recreation Facility Association shall be elected by Owners holding a majority of the voting power in the Phase, including Grantor. Said Phase and Delegates shall be treated the same as any other Local Association and its corresponding Delegates as provided for in this Master Declaration, including but not limited to Section 6.4 above.

6.6 Annual Meetings of Local Associations. 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 prior to every annual meeting of the Master Association and Recreation Facility Association. The first meeting of the Members in such Local Association, whether annual or special, shall be held within the first six (6) months following the close of the first sale of a Building Lot within such Phase; provided however, that the first meeting of any Local Association must occur prior to the first annual meeting of the Master Association and Recreation Facility Association. At the first meeting of the Members in such Local Association and at each subsequent annual meeting, such Members shall elect the Delegates to represent them. If a Local Association does not hold its annual meeting prior to the Master Association's

and/or Recreation Facility Association's annual meeting and does not elect its Delegates, said Local Association shall not be entitled to vote at the Master Association or Recreation Facility Association annual meeting. Such Delegates shall continue to be Delegates for one (1) year or until their successors are elected, whichever is later, unless such Delegates are removed by a vote or written consent of a majority of the voting power in such Local Association. Such meeting shall be held on the Phase or at such other convenient location in or near the Phase 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 within the Local Association no later than ten (10) days prior to the meeting by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Members having one-quarter (1/4) of the total voting power within such Local Association. A special meeting of the Members in any Local Association may be called at any reasonable time and place by written notice by the Delegates to the Master Association or the Recreation Facility Association representing the Members in such Local Association, or by the Members in the Local Association having one-quarter (1/4) of the total votes within such Local Association or Phase, and delivered to all other Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken. The presence at any 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 Members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called. The Members present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.

6.7 Management, Powers, Duties and Restrictions. Each Local Association shall be managed by a Board of Directors and officers, and shall have the same powers, duties and restrictions with respect to its Members or the property owned, managed or maintained by it contained in Section 5.5, including, without limitation, requiring Assessments, adopting rules and regulations, including special rules and regulations concerning Rim Lots, granting easements, licenses and rights-of-way, payment of expenses, taxes, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements, except as modified herein or as modified by a Supplemental Declaration; provided, however, that the Board shall delegate all powers and duties which it deems appropriate for the Local Association to endure, and all Local Associations must levy all Assessments by and through the Master Association. Each such Local Association shall certify to the Master Association the amount of such Assessments and charges for collection. The Local Association Board, Members, committee, officers, Grantor, or the manager, if any, shall be free of personal liability as to the Local Association in the same manner as described in Section 5.9 for the Master Association.

ARTICLE VII: RECREATION FACILITY ASSOCIATION

7.1 Creation by Grantor. Grantor shall create the Recreation Facility Association as a profit or non-profit corporation under the provisions of the Idaho Code relating to corporations, or Grantor may create the Recreation Facility Association as any unincorporated entity which Grantor deems appropriate. Grantor may, in its discretion, create the Recreation Facility Association by means of a Supplemental Declaration, or create such Association by means of separate instruments, and may, in its discretion, grant to such Association a revokable, non-exclusive license to use the name "Surprise Valley."

7.2 Members of Recreation Facility Association. The Recreation Facility Association Members shall consist of all the Owners designated as Recreation Facility Association Members in a Supplemental Declaration. Memberships cannot be terminated and may be transferred only in the manner specified in Section 5.2 for the Master Association. The Recreation Facility Association Members shall be entitled to use of the entire Recreation Facility(ies) and all the amenities contained therein.

7.3 Voting in the Recreation Facility Association. The Recreation Facility Association shall have three (3) classes of memberships:

7.3.1 Class A. Class A Members shall be the Delegates of Local Associations whose Members are designated in a Supplemental Declaration as Members of the Master Association and a Local Association. Each Delegate shall be entitled to one (1) vote for each single-family detached Building Lot and between one-half ($\frac{1}{2}$) vote and one (1) vote for each Townhome or Condominium Building Lot (as designated in the Supplemental Declaration for Phases in which Townhomes and/or Condominiums are contained therein) owned by the Class C Members represented by such Delegate.

7.3.2 Class B. The Class B Member shall be Grantor, and shall be entitled to five (5) votes for each of the 800 approved residential units for Surprise Valley, or 4000 votes, less five (5) votes for each Building Lot owned by someone other than Grantor. The Class B Member shall cease to be a voting Member in the Recreation Facility Association at the earlier of: (1) Grantor has 1000 or less votes in the Recreation Facility Association; or (2) on June 1, 2015.

7.3.3 Class C. The Class C Members shall be the Owners of Building Lots whose Owners are entitled to use the Recreation Facility(ies), except for the Grantor and the Delegates, and the Class C Members shall be entitled to no votes except that Building Lots owned by the Class C Members who are also Recreation Facility Association Members shall be counted for purposes of determining the number of votes of the Class A Members.

All the voting power of the Recreation Facility Association shall be through the Delegates, including Grantor's Delegate, and no Member shall be entitled to cast his or her own vote; provided however, that the Recreation Facility Association Members shall be entitled to direct their respective Delegates how to vote pursuant to Section 6.4.

7.4 Annual Meetings. The Recreation Facility Association shall hold an annual meeting each year and the first annual meeting shall be held within the first six (6) months following the close of the first sale of a Building Lot. Subsequent regular annual meetings of the Recreation Facility Association shall be held as provided in the Bylaws. Special meetings may be called as provided for in the Bylaws. Notice of annual or special meetings of the Recreation Facility Association shall be delivered, mailed or faxed to all Delegates and Members of the Recreation Facility Association and shall be given not less than ten (10) days nor more than thirty (30) days prior to the time of said meeting and shall set forth the place, date and hour of the meeting, and the nature of the business to be undertaken, by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Delegates having one-quarter (1/4) of the total voting power within such Recreation Facility Association. All meetings shall be held within the Property or as close thereto as practicable at a reasonable place selected by the chairman. The presence at any meeting in person or by proxy of Delegates representing more than sixty percent (60%) of the total voting power of the Recreation Facility Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Delegates present may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, provided that the quorum requirement for such adjournment shall be Delegates representing no less than fifty percent (50%) of the total voting power thereof. The Delegates present at each annual meeting shall select a chairman to preside over meetings and a secretary to transcribe minutes of the meetings, until a successor chairman and/or secretary are selected. All members of the Recreation Facility Association are encouraged to attend all annual and special meetings of the Recreation Facility Association, however, all voting shall be done through the Delegates.

7.5 Management, Powers, Duties and Restrictions. The Recreational Facility Association shall be managed by a Board of Directors and officers in the same manner as specified in Section 5.4 for the Master Association, and shall have the same powers, duties and restrictions with respect to the Recreation Facility Association Members or the property owned, managed or maintained by it contained in Section 5.5, including, without limitation, requiring Assessments, adopting rules and regulations, granting easements, licenses and rights-of-way, payment of expenses, taxes, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements, except as modified herein or as modified by a Supplemental Declaration. The Recreation Facility Association shall levy all

Assessments by and through the Master Association. The Recreation Facility Association shall certify to the Master Association the amount of such Assessments and charges for collection. The Recreation Facility Association Board, the Recreation Facility Association Members, committee, officers, Grantor, or the manager, if any, shall be free of personal liability as to the Recreation Facility Association in the same manner as described in Section 5.9 for the Master Association.

7.6 Separate Entity. The Recreation Facility Association is a separate entity. Although all Assessments levied by the Recreation Facility Association shall be levied through the Master Association, and the Person who is Delegate of a Local Association to the Master Association may also be the Delegate to the Recreation Facility Association, this shall not give rise to any control whatsoever, by the Master Association or any Local Association over the Recreation Facility Association. The Recreation Facility Association may, by a majority vote of the total voting power in the Recreation Facility Association, be merged into and with the Master Association, at which time the Master Association shall carry out all the duties and responsibilities enunciated in this Article VII.

ARTICLE VIII: RIGHTS TO COMMON AREAS, RESTRICTED AREAS AND MAINTENANCE PROPERTY

8.1 Use of Common Area. Every Owner, other than Apartment Complex Owners and the tenants therein, unless expressly designated by Grantor in a Supplemental Declaration, shall have a right to use each parcel of the Common Area, and Maintenance Property and to the extent permitted by any Supplemental Declaration or other instrument, shall have a right to use each parcel of Local Common Area owned and/or managed by a Local Association of which such Owner is a Member, which right shall be appurtenant to and shall pass with the title to every Building Lot subject to the following provisions:

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

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

8.1.3 The right of an Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility or other Person for such purposes and subject to such conditions as may be permitted

by the Project Documents; provided however, that no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of the Class B and C Members has been recorded;

8.1.4 The right of such Association to prohibit the construction of Improvements on all Common Areas or Maintenance Property;

8.1.5 Common Areas may be used by the Public as established from time to time by Grantor on any portion of the Property by describing such area on a recorded Plat, by granting or reserving it in a deed or other instrument, or by designating it as such in this Master Declaration or in any Supplemental Declaration;

8.1.6 Members/Owners shall not be entitled to use those areas established from time to time by Grantor on any portion of the Property as Restricted Area, unless expressly allowed by the Master Association; and

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

8.2 Designation of Common Area, Restricted Area and Maintenance Property. Grantor shall designate and reserve Common Area, Restricted Area, Local Common Area and Maintenance Property in the Master Declaration, Supplemental Declarations and/or recorded Plats, deeds or other instruments.

8.3 Delegation of Right to Use. Any Owner may delegate, in accordance with the Project Documents, such Owner's right of enjoyment to the Common Area or the Local Common Area, to the members of such Owner's family in residence, and such Owner's tenants or contract purchasers who reside on such Owner's Building Lot. Only Grantor or an Association shall have the right to delegate the right of enjoyment to the Common Area or the Local Common Area, to the general public, and such delegation to the general public shall be for a fee set by Grantor or an Association.

8.4 Damages. Each Owner shall be fully liable for any damage to any Common Area, Restricted Area or Maintenance Property which may be sustained by reason of the negligence or willful misconduct of the Owner, such Owner's resident tenant or contract purchaser, or such Owner's family and guests, both minor and adult. In the case of joint ownership of a Building Lot the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Limited

Assessment against the Building Lot and may be collected as provided herein for the collection of other Assessments.

ARTICLE IX: ASSESSMENTS

9.1 Covenant to Pay Assessments. By acceptance of a deed to any Building Lot, each Owner of such Building Lot other than Apartment Complex Owners, thereby covenants and agrees to pay when due all Assessments or charges made by the Master Association, Recreation Facility Association and/or a Local Association, including all Regular, Special and Limited Assessments and charges made against such Owner pursuant to the provisions of this Master Declaration, any Supplemental Declaration or other applicable Project Document.

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

9.1.2 Assessment is Personal Obligation. Each such Assessment, together with interest, costs and reasonably attorneys' fees, shall also be the personal obligation of the Owner of such property beginning with the time when the Assessment falls due. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them but shall remain such Owner's personal obligation regardless of whether he or she remains an Owner.

9.2 Uniform Rate of Assessment. All Assessments must be fixed at a uniform rate for each type of Building Lot, but the basis and rate of Assessments for each type of use may be varied as provided below:

Building Lots shall be assessed on the basis appropriate for each type of such use which types may be based upon classification including, without limitation, single-family detached dwellings, Townhomes and Condominiums as determined by the Board from time to time; provided however, that the Recreation Facility Association Assessments shall be uniform for all Members thereof. The rate of Assessment levied against Building Lots within the various Phases may be varied based upon the Board's sole and exclusive determination that any specific item in the applicable Association's budget may more directly benefit a certain Phase of the Property in excess of its proportionate share, or that the applicable Association has provided services to such Phase in excess of those to other Phases within the Property, provided, however, that such rate of Assessment shall be uniform, and proportionate to the use within each Phase.

9.3 Regular Assessments. All Owners are obligated to pay Regular Assessments to the treasurer of the Master Association on a schedule of payments established by the Board. The Master Association shall then pay to the Recreation Facility Association and any Local Association its Assessments levied by and through the Master Association.

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

9.3.2 Computation of Regular Assessments. An Association shall compute the amount of its Expenses on an annual basis. The board of an Association shall compute and levy the amount of Regular Assessments owed by its Members for the first fiscal year within six (6) months following the month in which the closing of the first sale of a Building Lot occurs in the Property for the purposes of the Master Association's, Recreation Facility Association's, and any Local Associations' Regular Assessment ("Initiation Date"). Thereafter, the computation of Regular Assessments by an Association shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of an Association. The computation of the Regular Assessment for the period from the Initiation Date until the beginning of the next fiscal year shall be reduced by an amount which fairly reflects the fact that such period was less than one (1) year.

9.3.3 Amounts Paid by Owners. The Board can require, in its discretion or as provided in the Project Documents, payment of Regular Assessments to an Association in monthly, quarterly, semi-annual or annual installments. Regardless of the installment schedule adopted by the Board, the Board may bill for Assessments monthly, quarterly, semi-annually or annually, at its sole discretion. The Regular Assessment to be paid by any particular Owner for any given fiscal year shall be computed as follows:

9.3.3.1 As to the Master Association's Regular Assessment, each Owner, except for the Grantor, as provided further in Subsection 9.3.3.4 below, shall be assessed and shall pay an amount computed by multiplying the Master Association's total advance estimate of Expenses by the fraction produced by dividing the Building Lots attributable to the Owner by the total number of Building Lots in the Property;

9.3.3.2 As to any Local Association, each Owner who is also a Member of such Local Association, except for the Grantor, as provided further in Subsection 9.3.3.4 below, shall be assessed and shall pay an amount computed by multiplying such Local Association's total advance estimate of Expenses by the fraction produced by dividing the number of Building Lots in such Local Association attributable to such Owner by the total number of Building Lots in such Local Association;

9.3.3.3 As to the Recreation Facility Association, each Owner who is also a Member of such Association, except for the Grantor, as provided further in Subsection 9.3.3.4 below, shall be assessed and shall pay an amount computed by multiplying such Recreation Facility Association's total advance estimate of Expenses by the fraction produced by dividing the number of Building Lots Owned by a Recreation Facility Association Member by the total number of Building Lots Owned by all Recreation Facility Association Members; and

9.3.3.4 For two (2) years following the date assessments for any Phase are assessed against the Owners of Building Lots in such Phase, Grantor shall not be assessed any Regular Assessments for each Building Lot in such Phase of which Grantor is an Owner. However, during such two (2) year period, Grantor shall pay an amount equal to the Operating Expenses shortfall of the applicable Association for each Phase (the "Shortfall Payment"), which Shortfall Payment shall be an amount less than or equal to the Regular Assessments multiplied by the total number of Building Lots in such Phase owned by Grantor on the date Regular Assessments are assessed against the Owners of Building Lots in such Phase. Grantor's Shortfall Payment in connection with such Phase shall end two (2) years after the date assessments in such Phase begin. Thereafter, Grantor shall be assessed Regular Assessments for each Building Lot in such Phase of which Grantor is an Owner.

9.4 Special Assessments.

9.4.1 Purpose and Procedure. In the event that the board of an Association shall determine that its respective Regular Assessment for a given calendar year is or will be inadequate to meet the Expenses of such Association for any reason, including, without limitation, costs of construction, improvement, protection, maintenance, repair, management and operation of Improvements upon the Common Area, Restricted Area or Maintenance Property, attorney's fees and/or litigation costs, other professional fees, or for any other reason, the board thereof shall determine the approximate amount necessary to defray such Expenses and levy a Special Assessment against the portions of the Property within its jurisdiction which shall be computed in the same manner as Regular Assessments. The board of an Association shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

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

9.5 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, a board of an Association may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Member's Building Lot into compliance with the provisions of the Project Documents or for damage caused by the Owner, or any of his or her family, representatives or invitees, to any Common Area, Restricted Area, Maintenance Property or any other portion of the Property.

9.6 Assessment Period. Unless otherwise provided in the Project Documents, the Assessment period for all Associations, including the Recreation Facility Association, shall be determined by the Board. The first Assessment shall be pro-rated according to the number of months remaining in the fiscal year and shall be payable in equal installments.

9.7 Notice and Assessment Due Date. Thirty (30) days prior written notice of Regular and Special Assessments shall be sent to the Owner of every Building Lot subject thereto, and to any Person in possession of such Building Lot by the Master Association. The Master Association shall determine if payments for all Assessments shall be due monthly, quarterly, semi-annually or annually. The Assessment installment schedule shall be the same for all Association Assessments, including the Recreation Facility Association Assessments. The due dates for installment payment of Regular Assessments and Special Assessments shall be the first day of each month unless some other due date is established by the Board. Each monthly installment of the Regular Assessment or Special Assessment shall become delinquent if not paid

within ten (10) days after the levy thereof. There may accrue, solely at the Board's discretion, with each delinquent installment payment a late charge equal to ten percent (10%) of the delinquent installment. In addition, each installment payment which is delinquent for more than twenty (20) days may accrue, at the Board's uniform discretion, interest at eighteen percent (18%) per annum calculated the date of delinquency to and including the date full payment is received by the Master Association. The Master Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Building Lot as more fully provided herein. Each Owner is personally liable for Assessments, together with all interest, costs and attorneys' fees, and no Owner may be exempt from such liability by a waiver of the use and enjoyment of the Common Area, or by lease or abandonment of such Owner's Building Lot.

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

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

ARTICLE X: ENFORCEMENT OF ASSESSMENTS; LIENS

10.1 Right to Enforce. The Master Association has the right to collect and enforce its Assessments and the Assessments made by the Recreation Facility Association and any Local Association which are certified to the Master Association created hereby and pursuant to the provisions hereof. Each Owner of a Building Lot, upon becoming an Owner of such Building Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Master Declaration and

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

10.2 Assessment Liens.

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

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

10.3 Method of Foreclosure. Such lien shall be foreclosed by appropriate action in court.

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

10.5 Rights of Mortgagees. Notwithstanding any other provision of this Master Declaration, no amendment of this Master Declaration shall operate to defeat the rights of the beneficiary under any deed of trust or a mortgage upon a Building 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 Building Lot shall remain subject to this Master Declaration as amended.

ARTICLE XI: INSPECTION OF AN ASSOCIATION'S BOOKS AND RECORDS

11.1 Member's Right of Inspection. The membership register, books of account and minutes of meetings of the board and committees of any Association shall be made available for inspection and copying by any Member of said Association or by such Member's duly appointed representatives, at any reasonable time and for a purpose reasonably related to such Member's interest as a Member at the office of the Association or at such other place as the board of such Association shall prescribe. No Member or any other Person shall copy the membership register for the purposes of solicitation of or direct mailing to any Member of said Association.

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

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

ARTICLE XII: DESIGN COMMITTEE

12.1 Creation; Grantor's Right of Appointment. Within thirty (30) days of the date on which Grantor first conveys a Building Lot to an Owner, Grantor shall appoint five (5) individuals to serve on the Surprise Valley design committee (the "Design Committee"). Thereafter, at any time, and from time to time, until such time as the Class B Membership is terminated, Grantor shall have the exclusive right, in Grantor's sole discretion, to appoint, remove and replace all members of the Design Committee. At all other times, the Board shall have the right to appoint, remove and replace all members of the Design Committee. A Local Association shall not establish a design committee. If a vacancy on the Design Committee occurs and a permanent replacement has not yet been appointed, Grantor or the Board, as the case may be, may appoint an acting Member to serve for a specified temporary period not to exceed one (1) year. A member of the Design Committee need not be an Owner. Members of the Design Committee may be removed by the Person appointing them at any time without cause. Pursuant to Section 12.3 below, the Design Committee shall review, study, and either approve or reject the proposed Improvements on the Property, all in compliance with the Master Declaration, any Supplemental Declaration, and the Design Guidelines. The actions of the Design Committee in the exercise of its discretion by its approval or disapproval of the proposed Improvements on the Property, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

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

12.3 Improvements Generally. The Design Committee shall draft the Design Guidelines for the construction and reconstruction of all Improvements on the Property. No Improvements on any portion of the Property shall be constructed, reconstructed, placed or removed from the Property without prior written consent of the Design Committee, and without being in compliance with the Project Documents and the Design Guidelines. The Design Guidelines shall be used and drafted by the Design Committee to ensure that all Improvements conform and harmonize as to external design, quality and type of construction, architectural character, materials, color, location on the Building Envelope, height, grade and finish ground elevation, natural conditions, landscaping and all aesthetic considerations, including guidelines

designed to protect the special qualities of Surprise Valley, and to encourage creative design, by providing general architectural, design and construction guidelines (including Building Envelope guidelines), landscape guidelines (including a description of existing, natural conditions and vegetation), submittal and review procedures, and fees and charges for review. The Design Guidelines shall be drafted to conform to this Master Declaration, the Articles and Bylaws, and must be approved by the Board prior to implementation. In the event of a conflict between the Design Guidelines and this Master Declaration, any Supplemental Declaration, the Articles and the Bylaws, this Master Declaration, the Supplemental Declaration, the Articles or Bylaws, as the case may be, shall govern. The content of the Design Guidelines may be modified and amended from time to time as provided in the Design Guidelines, and in all events can be modified and changed by a majority vote of the Board. Nothing contained in this Article XII limits any Owner's obligation and duty to ensure that his or her Building Lot development is in compliance with this Master Declaration, any Supplemental Declaration, the Design Guidelines, any other Project Documents or applicable city and state laws.

12.4 Solar Access Compliance. The construction, reconstruction, repair, replacement and maintenance of any and all Improvements to any Building Lot shall comply with the following solar access covenants, conditions and restrictions:

12.4.1 Shade Restriction: Each Building Lot which is classified as a Shade Restricted Lot shall have the following restrictions: Any structure or Restricted Vegetation (solar unfriendly) cannot cast a shadow higher than an imaginary fence 11.5 feet above the Solar Lot Line on solar noon on January 21st when the sun is at an angle of 26 degrees above the horizon. This sun angle at noon on January 21 causes structures, vegetation, and other objects to cast a shadow twice as long as their height. The height of the Shade Point of a structure on the Shade Restricted Lot is limited to 19 feet at the 15 foot rear yard zoning setback in order that the 11.5 foot high "solar fence" at the north property line of the Shade Restricted Lot is not exceeded. These standards assure that a structure built to the 15 foot rear yard zoning setback, on the Solar Lot located to the north, will not be shaded more than 4 feet on its south wall on January 21 at solar noon.

12.4.2 Pre-Existing Vegetation: Restricted Vegetation (solar unfriendly), which existed when the Property was platted is exempt from the provisions of these covenants, conditions and restrictions. Any Building Lot which would be shaded beyond the allowed Shade limit by such vegetation shall not be classified as a Solar Lot.

12.4.3 Slope Exemption: Any Building Lot with an average finished grade slope along the north-south lot dimension greater than ten (10) percent shall be exempt from the terms and conditions of these covenants, conditions, and restrictions.

12.4.4 Solar Setbacks: Each separate structure and item of Restricted Vegetation shall have a Solar Setback dependent on and calculated by its Shade Point Height. All Shade Restricted Lots shall have the following Solar Setback: Solar Setback (in feet) = [Shade Point Height (in feet) - 11.5"] x 2. Table 1 below shows a few examples of Solar Setbacks for given Shade Point Heights:

TABLE 1

SOLAR SETBACKS REQUIRED FOR A GIVEN SHADE POINT HEIGHT.

| <u>Shade Point Height</u> | <u>Solar Setback</u> |
|-------------------------------|--------------------------|
| 10' | 0' |
| 15' | 7' |
| 20' | 17' |
| 25' | 27' |
| 30' | 37' |

12.4.5 Solar Access Rights: The Owner(s) of Solar Lots shall have a right to unobstructed solar access in accordance with these covenants, conditions and restrictions.

12.4.6 Solar Access Duties: The Owner(s) of any Solar Lot shall not build, install, or otherwise allow a structure or non-Solar Friendly Vegetation on that Solar Lot to cast more Shade at their Solar Lot Line than permitted under these solar access covenants, conditions, and restrictions.

12.5 Expenses. All expenses of the Design Committee shall be paid by the Master Association. The Design Committee shall have the right to charge a fee for each application submitted to it for review in an amount which may be established by the Design Committee from time to time and such fees shall be collected by the Design Committee and remitted to the Master Association to help defray the expenses of the Design Committee's operation, including reasonable payment to each member of the Design Committee for their services as provided herein. The Design Committee fee shall be not less than \$250.00 and not more than \$1,500.00; provided however, that in the event the Design Committee is reviewing maintenance or remodelling Improvements to any Building Lot, the Design Committee shall be able to reduce the Design Committee review fee to a reasonable amount.

12.6 Non-Liability of Design Committee Members. Approval by the Design Committee does not assure approval of the Improvements by any appropriate governmental or quasi-governmental agency, board or commission. Notwithstanding that the Design Committee has approved Improvements, plans and specifications,

neither the Design Committee nor any of its members shall be responsible or liable to any Association or to any Person, Owner, or Grantor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the Improvements, unless due to the willful misconduct or bad faith of the Design Committee. Neither the Board, Design Committee or any agent thereof nor Grantor or any of its partners, employees, agents or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Project Documents, nor for any structural or other defects in any work done according to such plans and specifications. In any and all events, the Design Committee shall be defended, indemnified and held harmless by the Master Association in any such suit or proceeding which may arise by reason of the Design Committee's decision. The Master Association, however, shall not be obligated to defend, indemnify and hold harmless any member of the Design Committee to the extent any such member of the Design Committee shall be adjudged to be liable for willful misconduct or bad faith in the performance of such member's duty as a member of the Design Committee, unless and only to the extent that the court in which such action or suit may be brought shall determine that, despite the adjudication of liability, but in view of all circumstances of the case, such member is fairly and reasonably entitled to indemnification and defense for such expense if such court shall deem it proper.

12.7 Variances. The Design Committee may authorize variances from compliance with any of the Design Guidelines, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be evidenced in writing, must be signed by at least two (2) members of the Design Committee. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Master Declaration, any Supplemental Declaration or the Design Guidelines shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Master Declaration, any Supplemental Declaration or the Design Guidelines for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting his or her use of the Property, including but not limited to zoning ordinances and lot set-back lines or requirements imposed by any governmental or municipal authority.

12.8 Grantor's Exemption. Any and all Improvements constructed by Grantor on or to the Property are not subject to review and approval by the Design Committee.

ARTICLE XIII: EASEMENTS

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

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

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

13.4 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Building Lot and such portion or portions of the Common Area or Restricted Area adjacent thereto, or as between adjacent Building Lots, due to the unwillful placement or settling or shifting of the Improvements including, without limitation, structures, walkways, bike paths, sidewalks and driveways constructed, reconstructed or altered thereon in accordance with the terms of this Master Declaration. Easements of encroachment shall be valid only so long as they exist, and the rights and obligations of Owners shall not be altered in any way because of encroachments, settling or shifting of the Improvements; provided, however, that in no event shall a valid easement for encroachment occur due to the willful or bad faith act(s) of an Owner. In the event a structure on any Building Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Building Lot agree that minor encroachments within and over adjoining Building Lots that existed prior to the encroachment may be reconstructed pursuant to the easement granted by this Section 13.4.

13.5 Party Walls. Building Lots may include Party Walls. To the extent any Party Wall exists, there is hereby created a common reciprocal easement for the location of such Party Wall. Each Owner shall have the right to use the surface of any Party Wall contained within the interior of the Owner's Building Lot, provided that an Owner shall not drive, place or cause to be driven or placed any nail, bolt, screw or other object into a Party Wall which penetrates a Party Wall equal to or greater than the Party Walls' width. The Owner shall respectively own to the centerline of any Party Wall. The cost of reasonable repair and maintenance of a Party Wall shall be shared equally by the Owners of such Party Wall. Such Party Wall shall be maintained in good condition by the Owners thereof, free of structural defects and using reasonable care to avoid injury to the adjoining property.

Notwithstanding any other provisions in this Section 13.5, an Owner who by negligent or wilful act(s) causes a Party Wall to be damaged and/or exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements and/or repair to such Party Wall. If such Party Wall is destroyed or damaged by fire or other casualty, either Owner may restore such Party Wall and the other Owner shall contribute one-half (1/2) of the cost of such restoration. This right of contribution shall be without prejudice to any right to call for a larger contribution under any rule of law regarding liability for negligent or wilful acts or omissions.

13.6 Easements of Access. Grantor expressly reserves for the benefit of all the Property reciprocal easements of ingress and egress for all Owners to and from their respective Building Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Building Lots, Common Areas and Restricted Areas resulting from the normal use of adjoining Building Lots, Common Areas or Restricted Areas, and for necessary maintenance and repair of any Improvement including, without limitation, fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping. Such easements may be used by Grantor, and by all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Building Lot or Common Area.

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

13.7.1 Improvement of Drainage and Utility Easement Areas. The Owners of Building Lots are hereby restricted and enjoined from constructing or altering any Improvements upon any drainage or utility easement areas as shown on the Plat(s) or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for its intended purpose; provided, however that any Owner, Association, designated Person or the Grantor having an interest in the landscaping easement described in this Article XIII, shall be entitled to install and maintain landscaping on such easement areas, subject to approval by the Design Committee, so long as the same would not interfere with or prevent the easement areas from being used for their intended purposes; provided further, that any damage sustained to Improvements on the easement areas as a result of legitimate use of the easement area shall be the sole and exclusive obligation of the Owner of the

Building Lot where Improvements were so damaged, or in the event the easement area where Improvements were so damaged is located in a Common Area, Restricted Area or Local Common Area, the Master Association or Local Association, as the case may be, shall be responsible for the damage sustained and may impose a Special Assessment therefore.

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

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

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

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

13.10 Disputes as to Sharing of Costs. In the event of a dispute between Owners with respect to the repair, replacement or maintenance of any Improvement, party wall, utility connections or driveways, or with respect to the sharing of the cost therefor, upon written request of one of such Owners addressed to the applicable Association, the matter shall be submitted to the board of such Association which shall decide the dispute and, if appropriate, make an appropriate Assessment against any or all of the Owners involved on behalf of the prevailing Owner(s), which Assessment shall be collected and enforced in the manner provided by this Master Declaration for Limited Assessments.

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

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

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

13.14 Waterway Easements. Grantor hereby reserves an easement for all Waterways and related pipes, pumps and other equipment over, across, under and through all Building Lots, Common Areas, and Restricted Areas to the extent reasonably required to maintain any Waterway system installed by Grantor on the Property, including, but not limited to any dual irrigation system, or pursuant to plans and specifications approved by the Design Committee. The Master Association or any Local Association shall have the right, but not the obligation, to maintain all Waterways to be maintained by the City of Boise City, and to bill the City of Boise City for all such maintenance conducted by the Master Association. Any relocation of the water lines installed as a part of such system shall not be undertaken in any way which interrupts the flow of water through the system or damages the system in any other fashion. Grantor reserves the right to make any reconfiguration of any Waterway which it determines, in its own discretion, to be necessary, expedient or desirable; provided, however, that nothing herein shall reserve unto Grantor the right to take any action which would disturb, encroach upon or endanger the foundation of any building, nor shall Grantor take any action which would materially alter any Waterway's proximity to improved property abutting such Waterway. Under no circumstances whatsoever shall the Waterways be used by any Owner, Member,

tenants, invitees, and/or guests for recreational purposes including, without limitation, wading and/or swimming.

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

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

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

13.18 Association's Responsibility. The Master Association shall maintain and keep the Common Area, Restricted Area and Maintenance Property in good repair, such maintenance to be funded as provided herein. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and Improvements situated within the Common Area, Restricted Area and Maintenance Property.

ARTICLE XIV: DAMAGE OR DESTRUCTION

14.1 Master Association, Recreation Facility Association and Local Association as Attorneys in Fact. Each and every Owner hereby irrevocably constitutes and appoints the Master Association, Recreation Facility Association, if applicable, and their respective Local Association as such Owner's true and lawful attorneys-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Common Area and Restricted Area upon damage or destruction as provided in this Article XIV or a complete or partial taking as provided in Article XV below. Acceptance by any grantee of a deed or other instrument of conveyance from Grantor or from any Owner shall constitute appointment of the attorneys-in-fact as herein provided. As attorneys-in-fact, the Associations shall have

full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted herein to the Associations as attorneys-in-fact.

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

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

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

14.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as a Special Assessment to the Association under this Article XIV, or, if no Special Assessments were made, then in equal shares per Building Lot, first to the mortgagees of a First Mortgage and then to the Owners, as their interests appear.

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

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

ARTICLE XV: CONDEMNATION

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

15.2 Condemnation; Distribution of Award; Reconstruction. The award made for such partial or complete taking shall be payable to the Master Association as trustee for all Owners to be disbursed as follows: If the taking involves a portion of the Common Area or Restricted Area on which Improvements have been constructed, then, unless within sixty (60) days after such taking Grantor and Owners representing at least sixty seven percent (67%) of the Class B and C Members shall otherwise agree, the Master Association shall restore or replace such Improvements so taken on the remaining land included in the Common Area or Restricted Area to the extent lands are available therefor, in accordance with plans approved by the Board and the Design Committee. If such Improvements are to be repaired or restored, the provisions in Article XIV regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall

apply. If the taking does not involve any Improvements on the Common Area or Restricted Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Building Lot, first to the mortgagees of any First Mortgage and then to the Owners, as their interests appear.

ARTICLE XVI: RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and an Association or the Design Committee relating to the interpretation, performance or nonperformance, violation, or enforcement of the Project Documents, such dispute or violation may, at the Board's discretion, be submitted to the Board for resolution pursuant to rules of procedure established and adopted by the Board.

ARTICLE XVII: MISCELLANEOUS

17.1 Term. The easements created hereunder shall be perpetual, subject only to extinguishment by the holders of such easements as provided by law. The covenants, conditions, restrictions and equitable servitudes of this Master Declaration shall run until December 31, 2035, unless amended as herein provided. After December 31, 2035, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by Members holding at least a majority of the voting power of the Master Association and such written instrument is recorded with the Ada County Recorder's Office.

17.2 Amendment.

17.2.1 By Grantor. Except as provided in Section 17.3, until the recordation of the first deed to a Building Lot, the provisions of this Master Declaration may be amended, modified, clarified, supplemented, added to or terminated (collectively "amendment") by Grantor by recordation of a written instrument setting forth such amendment. In addition, Grantor, regardless of whether it has conveyed any Building Lot(s) to an Owner, shall have the exclusive right, power and authority to amend this Master Declaration, any Supplemental Declaration or any of the Project Documents, at any time and at its sole discretion, to comply with any and all requirements and conditions of FNMA, GNMA, FHA, VA and FHLMC as those terms are defined in Section 17.3.

17.2.2 By Owners. Except as provided in Sections in 17.1 and 17.3, after the recordation of the first deed to a Building Lot, any amendment to any provision of this Master Declaration, other than to this Article XVII, shall be by an instrument in writing signed and acknowledged by the president and

secretary of the Master Association certifying and attesting that such amendment has been approved by the vote or written consent of Members representing more than two-thirds (2/3) of the total voting power in the Master Association as cast by the Delegates, except where a greater percentage is required by express provision in this Master Declaration, and such amendment shall be effective upon its recordation with the Ada County Recorder's Office. Any amendment to this Article XVII shall require the vote or written consent of Members holding ninety-five percent (95%) of the voting power of the Master Association.

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

17.3 Mortgage Protection Notwithstanding any other provision of this Master Declaration, no amendment of this Master Declaration shall operate to defeat or render invalid the rights of the beneficiary under any first Mortgage upon a Building Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such first Mortgage, such Building Lot shall remain subject to this Master Declaration, as amended. In order to induce the Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA"), the Federal Housing Administration ("FHA"), the Veterans Administration ("VA") and the Federal National Mortgage Association ("FNMA") to participate in the financing of the sale of Building Lots within the Properties, the following provisions are added hereto (and to the extent those added provisions, pertaining to the rights of mortgagees, FHLMC, FNMA, GNMA, VA and FHA, conflict with any other provisions of this Declaration or any other of these Covenants and Restrictions, these added restrictions shall control):

(a) Each first Mortgage encumbering any Building Lot, upon filing a written request for notification with the Board, is entitled to written notification from an Association of any default by the mortgagor of such Building Lot in the performance of such mortgagor's obligations under the Project Documents, which default is not cured within thirty (30) days after the Association learns of such default.

(b) Every Owner, including every first mortgagee of a Mortgage encumbering any Building Lot, which obtains title to such Building Lot, pursuant to the remedies provided in such Mortgage, or pursuant to

(30) days' written notice, and the term of any such contract shall not exceed one (1) year, renewable by agreement of the parties for successive one-year periods.

(j) The Board shall secure and cause to be maintained in force at all times a fidelity bond for any person or entity handling funds of the Association, including but not limited to, employees of the professional manager.

(k) Any agreement for the leasing or rental of a Building Lot, including a month-to-month rental agreement, shall provide that the terms of such agreement shall be subject in all respects to the provisions of the Project Documents. All such agreements shall be in writing and shall provide that any failure by the lessee to comply with the terms of the Project Documents shall be a default under the agreement.

(l) All taxes on the Common Areas must be assessable against those Common Areas only and the Master Association or applicable Local Association owning such Common Areas are solely responsible for payment of such taxes.

(m) Any provision in this Master Declaration which requires Owners to indemnify the Association, other Owners, or the board of any Association against acts of the indemnitor is subject to the exception that if the liability, damage or injury is covered by any type of insurance, the indemnitor is relieved of liability to the extent of insurance coverage.

(n) Notwithstanding any other provisions herein, the Master Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by FNMA and/or GNMA, so long as either 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 FNMA and/or GNMA.

(o) As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration:

1. Annexation of additional properties;
2. Dedication of Common Area;
3. Amendment of this Declaration.

In addition to the foregoing, the Board may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the

guidelines of the VA, the FHA, the FHLMC, the FNMA or the GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first Mortgages encumbering Building Lots with dwelling units thereon. Each Owner hereby agrees that it will benefit all Associations and the membership of the Associations, as a class of potential Mortgage borrowers and potential sellers of their residential Building Lots, if such agencies approve the Properties as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering.

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

17.5 Enforcement and Non-Waiver.

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

17.5.2 Violations and Nuisances. The failure of any Owner of a Building Lot to comply with any provision hereof, or with any provision of the Project Documents, is hereby declared a nuisance and will give rise to a cause of action in Grantor, an Association or any Owner for recovery of damages or for negative or affirmative injunctive relief or both.

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

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

foreclosure of the Mortgage (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal."

(c) Each holder of a first Mortgage who comes into possession of the Building Lot by virtue of foreclosure of the Mortgage or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, will take title to such Building Lot free of any claims for unpaid assessments and charges against the Building Lot, which accrue prior to the time such holder comes into possession of the Building Lot, except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all Building Lots including the mortgaged Building Lot.

(d) Unless all of the first mortgagees have given their prior written approval, neither the Association nor the Owners shall:

(1) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area or the Improvements thereon which are owned, directly or indirectly by the Association (the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Association, or the transfer of the Common Area or Improvements to an unincorporated association of the Owners in accordance with the Articles of Incorporation of the Association, shall not be deemed a transfer within the meaning of this clause);

(2) change the ratio of Assessments or method of determining the obligations, Assessments, dues or other charges which may be levied against any Owner, or the method of allocating distributions or hazard insurance proceeds or condemnation awards;

(e) Unless otherwise specified below, at least fifty-one percent (51%) of the first mortgagees (based upon one vote for each Mortgage owned) have given their prior written approval, neither the Association nor the Owners shall:

(1) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design of the exterior appearance of the dwelling units on the Building Lots, the exterior maintenance of the dwelling units on the Building Lots or the upkeep of the lawns and planting on the Properties;

(2) fail to maintain Fire and Extended Coverage on insurable Common Area on a current replacement cost basis in an

amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost); or

(3) use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement or reconstruction or such Improvements;

(4) abandon or terminate the covenants, conditions, and restrictions of this Declaration or any Supplement to this Declaration, or terminate the legal status of the project after substantial destruction or condemnation has occurred (termination of the project for reasons other than substantial destruction or condemnation requires a sixty-seven percent (67%) vote of first mortgagees);

(5) make any material amendment to the Project Documents (material amendment herein shall mean those amendments classified as material in the FNMA Project Standards applicable to Surprise Valley);

(f) First mortgagees, upon written request, shall have the right to (1) examine the Project Documents and books and records of the Association during normal business hours, (2) require from the Association audited annual financial reports and other financial data be available no later than 120 days from the Association's fiscal year-end, (3) receive written notice of all meetings of the Owners, and (4) designate in writing a representative to attend all such meetings.

(g) All first mortgagees shall be given immediate written notice as soon as the Board receives notice or otherwise learns of any damage to the Common Area or any Building Lot whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000), and as soon as the Board receives notices or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition, with respect to any portion of the Properties.

(h) First mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay any overdue premiums on hazard insurance policies, for such property, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

(i) The Board may contract for professional management of the Properties with a bondable professional manager. The agreement between the Association and its agent for such professional management shall provide that the management contract may be terminated for cause on not more than thirty

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

17.6 Use of Trademark. Each Owner by acceptance of a deed for such Owner's Building Lot shall be deemed to acknowledge that "Surprise Valley" is a servicemark and trademark of Surprise Valley Partnership, or its licensees, and to covenant that such Owner shall not use the term "Surprise Valley" without the prior written permission of Surprise Valley Partnership, or its licensees.

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

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

17.7.2 Restrictions Severable. Notwithstanding the provisions of the foregoing Subsection 17.7.1, each of the provisions of this Master Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

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

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

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

17.9 Owners' Acknowledgements. By accepting a deed to any Building Lot(s) contained within the Property, each Owner acknowledges the following:

- (1) That Owner has read and understands the "What You Need To Know About Surprise Valley" brochure;

- (2) That Owner will read and abide by the Wintering Bald Eagle Habitat Management Plan;
- (3) That the Idaho Department of Transportation is constructing an extension of Highway 21 through the east end of Surprise Valley, and it is currently contemplated that South Surprise Way will ultimately connect to Highway 21;
- (4) That Barber Pool is owned and managed by the Idaho Foundation for Parks and Lands, Inc., and entrance into and use of the Barber Pool by persons, including Owners or Occupants, and/or domestic animals is strictly prohibited;
- (5) That Grantor, and/or the Master Association, leases property from Idaho Power to the west of the Property and adjacent to South Surprise Way (which lease is for a fixed duration), and Owners and Occupants do not have the right to use said leased property without the express consent of the Grantor, or, in the event the Grantor has transferred control of said parcel to the Master Association, then, consent must be received from the Master Association;
- (6) That Idaho Power owns land adjacent to, and in the general vicinity of the Property which Idaho Power currently uses and may use to construct additional transmission towers and lines;
- (7) That certain portions of Surprise Valley can be utilized by the general public, including, without limitation, South Surprise Way and the path adjacent thereto, which is owned, operated and maintained by the City of Boise City, for access to the Property and/or Highway 21 and the designated public parking for access to the Oregon Trail;
- (8) That the Oregon Trail runs adjacent to the Property (generally on the south boundary, and Grantor may establish general public parking areas on or near the Property to allow the general public to have access to the Oregon Trail;
- (9) That in order to receive approval to develop Surprise Valley, Grantor was required to obtain conditional use approval from the City of Boise City (Boise City's CU-24-94 finalized on September 13, 1994), and approval of all preliminary and final plats, including plats for specific Phases of the development, and that through this process certain conditions of approval attached to the Surprise Valley development, and that Owner understands and will abide by all such conditions;

- (10) That Owner understands that non-potable water supplied to the Property, including irrigation of the Common Area, Restricted Area, Maintenance Area and Building Lots, may be supplied through a dual irrigation system which may be owned and/or operated by the Grantor, the Master Association or a non-profit or for-profit business entity, and that the Owner shall have no right, title or interest in any water or water right(s) which is owned and/or managed by Grantor, the Master Association or any other entity;
- (11) That a public park may be constructed by the City of Boise City, or any agency thereof, adjacent to, or in the general vicinity of the Property and that the Master Association may operate and maintain the same as Maintenance Property;
- (12) That the Property shall be developed in Phases and that no Owner shall interfere with or otherwise impede the development of the remaining portion of the Property, or any additional property annexed to Surprise Valley and that this acknowledgement and agreement is a material consideration to Grantor;
- (13) That Owner has accepted title to the Building Lot(s) after conducting all necessary inquiries and due diligence, and that Owner takes the Building Lot(s) "As Is", without any express or implied warranty from Grantor.

IN WITNESS WHEREOF, the undersigned has duly executed this Master Declaration this 23rd day of June, 1995.

SURPRISE VALLEY PARTNERSHIP,
an Idaho general partnership

By: O'Neill Enterprises, Inc.,
an Idaho corporation, a partner

By: 
L. Edward Miller, Secretary-Treasurer

STATE OF IDAHO

)

) ss.

County of Ada

)

On this 31st day of June, 1995, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared L. Edward Miller, known or identified to me to be the Secretary-Treasurer of O'Neill Enterprises, Inc., a partner in the partnership of Surprise Valley Partnership, the partner who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same said partnership's name.

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



M. Joanne Edwards
Notary Public for Idaho
Residing at Boise, Idaho
My commission expires: 11/27/97

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

A parcel of land located in Lots 1 and 2 and the SW $\frac{1}{4}$ NE $\frac{1}{4}$, the SE $\frac{1}{4}$ NW $\frac{1}{4}$, the NW $\frac{1}{4}$ SE $\frac{1}{4}$, the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and in the NW $\frac{1}{4}$ SW $\frac{1}{4}$, the SW $\frac{1}{4}$ SW $\frac{1}{4}$ and the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, T.3N., R.3E., and in Lots 3, 4 and 7 of Section 4, T.2N., R.3E., B.M., Ada County, Idaho, being described as follows:

Commencing at the north $\frac{1}{4}$ corner of said Section 32, marked by a brass cap monument, said corner being located S.89°12'39"E., 2639.30 feet from the brass cap monument marking the northwesterly corner of said Section 32; thence,

- A.) S.00°27'53"W., 918.96 feet along the westerly line of said Lot 2 Section 32 to a 5/8 inch pin with plastic cap in the southwesterly right-of-way line of the New York Canal, being the POINT OF BEGINNING; thence, along said southwesterly canal right-of-way line the following courses:
- 1.) S.38°30'05"E., 362.04 to 5/8 inch pin with plastic cap; thence,
 - 2.) S.55°21'16"E., 187.70 feet to 5/8 inch pin with plastic cap; thence,
 - 3.) S.47°02'02"E., 323.05 feet to 5/8 inch pin with plastic cap; thence,
 - 4.) S.33°01'19"E., 114.62 feet to 5/8 inch pin with plastic cap; thence,
 - 5.) S.52°03'43"E., 262.29 feet to 5/8 inch pin with plastic cap; thence,
 - 6.) S.61°47'12"E., 80.16 feet to 5/8 inch pin with plastic cap; thence,
 - 7.) S.45°01'01"E., 643.35 feet to 5/8 inch pin with plastic cap; thence,
 - 8.) S.50°30'56"E., 252.03 feet to 5/8 inch pin with plastic cap; thence,
 - 9.) S.59°49'54"E., 399.33 feet to 5/8 inch pin with plastic cap; thence,
 - 10.) S.40°34'37"E., 145.37 feet to 5/8 inch pin with plastic cap; thence,
 - 11.) S.63°20'25"E., 782.17 feet to 5/8 inch pin with plastic cap; thence,

- 12.) S.52°42'00"E., 163.99 feet to 5/8 inch pin with plastic cap; thence,
- 13.) S.67°04'00"E., 176.53 feet to 5/8 inch pin with plastic cap; thence,
- 14.) S.52°21'54"E., 313.18 feet to 5/8 inch pin with plastic cap; thence,
- 15.) S.49°02'23"E., 667.57 feet to 5/8 inch pin with plastic cap; thence,
- 16.) N.37°11'22"E., 24.14 feet to 5/8 inch pin with plastic cap; thence,
- 17.) S.50°01'10"E., 542.40 feet to 5/8 inch pin with plastic cap; thence,
- 18.) S.42°08'41"E., 1099.63 feet to 5/8 inch pin with plastic cap; thence.
- 19.) S.52°30'07"E., 249.26 feet to 5/8 inch pin with plastic cap; thence,
- 20.) S.40°45'57"E., 107.59 feet to a 5/8 inch pin with plastic cap in the easterly line of said SE¼ SW¼ of Section 32; thence, leaving said canal right-of-way line,
- 21.) S.00°53'58"W., 42.24 feet along said easterly line to an aluminum monument marking the south ¼ corner of said Section 32; thence,
- 22.) N.89°14'07"W., 44.45 feet along the southerly line of said Section 32 to a brass cap marking the north ¼ corner of said Section 4; thence,
- 23.) S.00°20'43"W., 139.92 feet (south, 2.12 chains) along the easterly line of Lot 3 Section 4 to a 5/8 inch pin with plastic cap; thence,
- 24.) S.33°54'16"E., 934.56 feet (S.33°28'E., 14.16 chains) to a 5/8 inch pin with plastic cap; thence,
- 25.) S.40°23'16"E., (S.39°57'E.,) 665.12 feet to a 5/8 inch pin with plastic cap in the southerly line of Lot 7 Section 4; thence,
- 26.) S.89°58'08"W., 803.32 feet along said southerly line to a 5/8 inch pin with plastic cap; thence,
- 27.) N.55°58'00"W., 2317.74 feet (N.56°00'05"W., 2317.95 feet) to a 5/8 inch pin with plastic cap; thence,

EXHIBIT B

PROPERTY FOR EXCLUSIVE USE OF MASTER ASSOCIATION

- 28.) N.49°17'04"W., 1045.69 feet (N.49°18'42"W.) to a 5/8 inch pin with plastic cap in the westerly line of said Section 33; thence.
- 29.) S.00°08'21"W., (S.00°08'06"W.) 39.78 feet along said westerly section line to a 5/8 inch pin with plastic cap located N.00°08'21"E., 551.41 feet from the brass cap marking the southeasterly corner of said Section 32; thence, along a line parallel with and 50.00 feet northerly of the future relocated centerline of Idaho Power Company Transmission Line No. 912 the following courses:
- 30.) N.47°35'37"W., (N.47°35'52"W.) 428.90 feet to a 5/8 inch pin with plastic cap; thence,
- 31.) N.48°34'26"W., (N.48°34'41"W.) 702.56 feet to a 5/8 inch pin with plastic cap; thence,
- 32.) N.43°59'45"W., (N.44°00'00"W.) 720.85 feet to 5/8 inch pin with plastic cap; thence,
- 33.) N.44°22'57"W., (N.44°23'12"W.) 699.69 feet to 5/8 inch pin with plastic cap; thence,
- 34.) N.61°06'24"W., (N.61°06'39"W.) 557.34 feet to 5/8 inch pin with plastic cap; thence, leaving said northerly parallel line,
- 35.) N.24°49'51"W., (N.24°50'06"W.) 1274.78 feet to a 5/8 inch pin with plastic cap; thence,
- 36.) N.33°45'01"E., (N.33°44'46"E.) 104.78 to a 5/8 inch pin with plastic cap in the southerly sideline of South Surprise Valley Drive; thence,
- 37.) southeasterly, along said sideline, along a curve to the left having a radius of 450.00 feet, an arc length of 102.77 feet, a central angle of 13°05'05", a chord bearing of S.63°29'10"E., and a chord distance of 102.54 feet to a 5/8 inch pin with plastic cap at a point of tangency; thence,
- 38.) S.70°01'43"E., (S.70°01'58"E.) 91.58 feet along said sideline to a 5/8 inch pin with plastic cap in the westerly line of said SW¼ NE¼ Section 32; thence,
- 39.) N.00°27'53"E., (N.00°27'38"E.) 673.15 feet along said westerly line to the POINT OF BEGINNING,

said parcel containing 204.565 acres, more or less.

- 22.) Northwesterly, along a curve to the right having a radius of 370.50 feet, an arc length of 162.41 feet, a central angle of $25^{\circ}06'59''$, a chord bearing of $N.31^{\circ}28'46''W.$ and a chord distance of 161.12 feet to a point of tangency; thence,
- 23.) $N.18^{\circ}55'16''W.$, 94.11 feet to a point; thence,
- 24.) $N.89^{\circ}41'42''W.$, 11.63 feet to a concrete monument with a brass cap in the southerly right-of-way line of State Highway 21 (Amity Road) located 40.00 feet right of Station 94+42.8 per said Plans of Project S-3785(2) (shown as station 94+45.27 on Plans for Project S-3785(3) of said Highway); thence,
- 25.) $N.00^{\circ}18'18''$ East, 15.00 feet along said southerly right-of-way line of State Highway 21 to a point located 25.00 feet right of Station 94+42.8 per said Plans of Project S-3785(2); thence,
- 26.) Northeasterly, along said southerly right-of-way line along a curve to the left having a radius of 502.46 feet, an arc length of 148.51 feet, a central angle of $16^{\circ}56'04''$, a chord bearing of $N.81^{\circ}50'16''E.$ and a chord distance of 147.97 feet to the point of intersection of said right-of-way line with the north line of said Section 32 and the POINT OF BEGINNING,

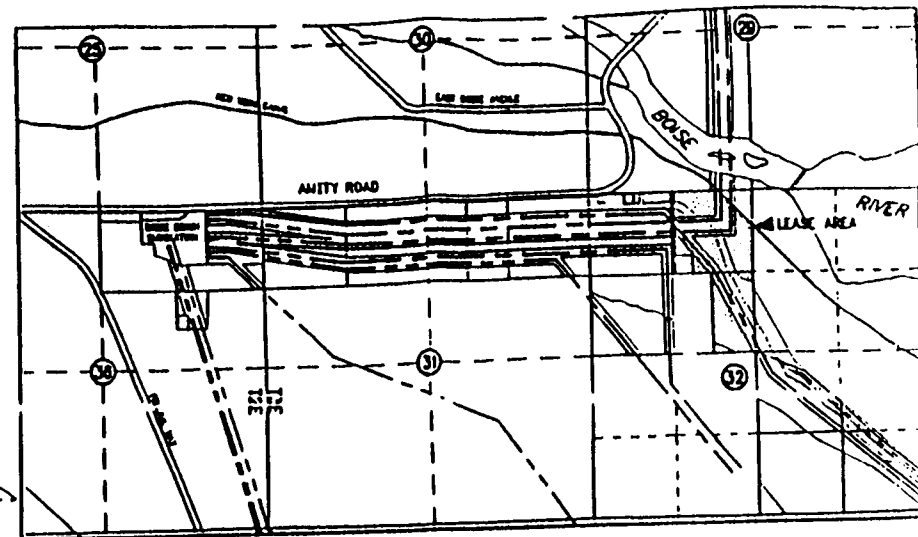
said easement containing 3.725 acres, more or less.

And

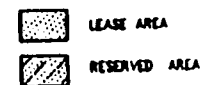
An easement for roadway, utilities and drainage purposes, located in the NE¼ NW¼ and SE¼ NW¼ of Section 32, T.3 N., R.3 E., B.M., Ada County, Idaho, being more particularly described as follows:

Commencing at a brass cap in the center of State Highway 21 (Amiry Road) marking the northwest corner of said Section 32; thence,

- A.) S.89°12'39"E., 1334.44 along the northerly line of said Section 32 to the northwesterly property corner of Bruce and Beth Bowler; thence,
- B.) S.00°06'56"W., 179.40 feet along the westerly property line of said Bowler to the point of intersection of same with the northerly sideline of South Surprise Valley Drive; thence,
- C.) Southeasterly, along said northerly sideline, along a curve to the right having a radius of 437.50 feet, an arc length of 30.43 feet, a central angle of 03°59'05", a chord bearing of S.80°21'16"E., and a chord distance of 30.42 feet to a point in the easterly property line of said Bowler, being the POINT OF BEGINNING; thence,
 - 1.) Southeasterly, along the northerly sideline of said South Surprise Valley Drive along said curve to the right having a radius of 437.50 feet, an arc length of 222.09 feet, a central angle of 29°05'09", a chord bearing of S.63°44'09"E. and a chord distance of 219.72 feet to a point of tangency; thence,
 - 2.) S.49°16'35"E., 493.86 feet along said northerly sideline to a point of curvature; thence,
 - 3.) Southeasterly, along said sideline, along a curve to the right having a radius of 537.50 feet, an arc length of 204.31 feet, a central angle of 21°46'43", a chord bearing of S.38°23'13"E. and a chord distance of 203.08 feet to a point of tangency; thence,
 - 4.) S.27°29'52" E., 640.73 feet along said northerly sideline to a point of curvature; thence,
 - 5.) Southeasterly, along said sideline, along a curve to the left having a radius of 345.00 feet, an arc length of 177.31 feet, a central angle of 29°26'46", a chord bearing of S.42°43'15"E. and a chord distance of 175.36 feet to a point of tangency; thence,
 - 6.) S.56°56'38"E., 16.66 feet along said northerly sideline to a point of curvature; thence,



VICINITY MAP
1" = 2000'



SEE 22
T.M. R.M. B.M.
ADA COUNTY, IDAHO

LEASE #311

EXHIBIT 'A'
LESSEE: SURPRISE VALLEY PARTNERSHIP
48.21 ACRES IN SEC 32, T3N, R3E, B1
BOISE BENCH TRANSMISSION LANDS

ADA COUNTY, IDAHO

IDAHO POWER COMPANY BOISE, IDAHO

SCALE: 1" = 400' DATE: 11-22-94

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|--------|-----------------|------------|------|
| 03 JUN | APPROVED WJB | 06 B-45837 | |
| 04 JUN | | SHT. 3 | 47-2 |
| 05 JUN | | | |

CADASTRAL CODE 103033220

CITRA, CH

Appraisal for roadway, utilities and drainage purposes, located in the NE¼ NW¼ of Section 32, T.3N., R.3E., B.M., Ada County, Idaho, being more particularly described as follows:

Commencing at a brass cap in the center of State Highway 21 (Amity Road) marking the northwest corner of said Section 32, said corner being at Station 92+08.9 as shown on Highway Plans of Project S-3785(2) on file with the Idaho Transportation Department; thence,

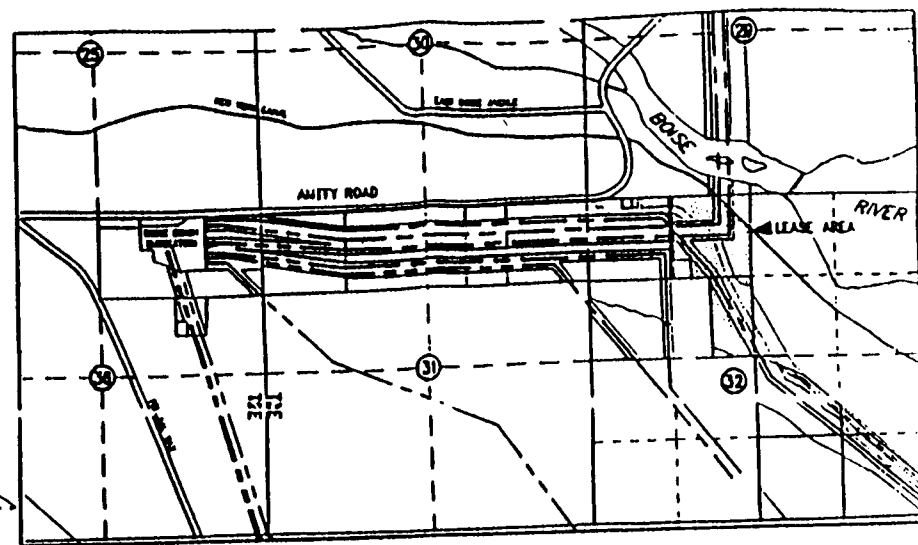
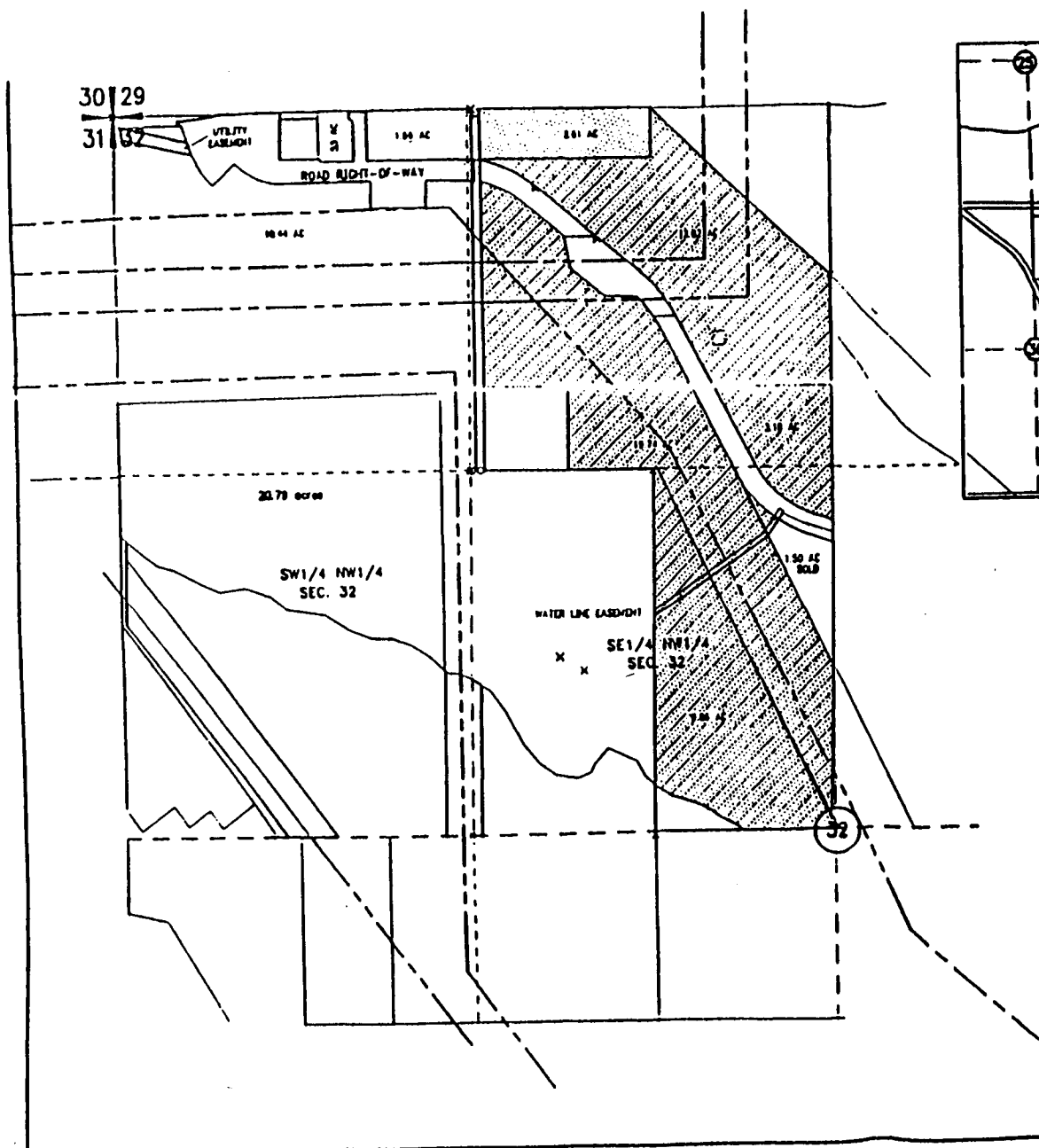
A.) S.89°12'39"E., 380.27 feet along the northerly line of said Section 32, across said Highway to the POINT OF BEGINNING in the southeasterly right-of-way line of Highway 21; thence,

- 1.) S.89°12'39"E., 239.46 feet along said northerly line of Section 32 to a point in the center of Amity Road located 25.00 feet northerly of the northwesterly corner of that parcel of land conveyed to Whitney Fire Protection District by Instrument No. 7519715; thence,
- 2.) S.00°47'21"W., 170.00 feet across Amity Road and along the westerly line of said Whitney Fire Protection District parcel to the southwesterly corner of same; thence,
- 3.) S.89°12'39"E., 150.00 feet along the southerly line of said parcel to the southeasterly corner of same; thence,
- 4.) S.00°47'21"W., 10.80 feet to a point in the northerly sideline of proposed Surprise Valley Drive; thence,
- 5.) S.89°43'08"E., 125.32 feet along said northerly sideline of proposed Surprise Valley Drive to the point of intersection of same with the westerly sideline of the proposed southerly extension of Oregon Trail Place, a road shown on the Plat of River View Acres Subdivision, as recorded in Book 26 on Page 1610 in the office of the Ada County Recorder; thence,
- 6.) N.00°20'21"E., 138.32 feet along said extension of the westerly sideline of Oregon Trail Place to a point of curvature; thence,
- 7.) Northwesterly, along a curve to the left having a radius of 16.50 feet, an arc length of 25.79 feet, a central angle of 89°33'00", a chord bearing of N.44°26'09"W., and a chord distance of 23.24 feet to a point of tangency in the southerly right-of-way line of Amity Road; thence,

EXHIBIT C

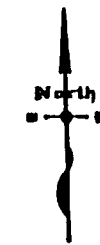
MAIN ACCESS PROPERTY

- 8.) N.00°24'42" W., 25.00 feet to a point on the northerly line of Section 32; thence,
- 9.) S.89°12'39"E., 66.18 feet along the said northerly line of Section 32 to the point of intersection of same with the southerly extension of the easterly sideline of said Oregon Trail Place; thence,
- 10.) S.00°20'21"W., 179.25 feet along said extension and along the easterly sideline of said proposed Oregon Trail Place to the point of intersection of same with the northerly sideline of South Surprise Valley Drive; thence,
- 11.) S.89°43'08"E., 335.35 feet along the northerly sideline of said South Surprise Valley Drive to a point of curvature; thence,
- 12.) Southeasterly, along said northerly sideline along a curve to the right having a radius of 437.50 feet, an arc length of 56.29 feet, a central angle of 07°22'20", a chord bearing of S.86°01'58"E. and a chord distance of 56.26 feet to the point of intersection of same with the westerly property line of Bruce and Beth Bowler, said point being located S.00°06'56"W., 179.40 feet from the northwesterly property corner of said Bowler; thence,
- 13.) S.00°06'56"W., 75.79 along the westerly line of said Bowler to the point of intersection of same with the southerly sideline of said South Surprise Valley Drive; thence,
- 14.) Northwesterly, along said southerly sideline along a curve to the left having a radius of 362.50 feet, an arc length of 56.59 feet, a central angle of 08°56'38", a chord bearing of N.85°14'49"W. and a chord distance of 56.53 feet to a point of tangency; thence,
- 15.) N.89°43'08"W., 122.90 feet along said southerly sideline to a point; thence, leaving said sideline,
- 16.) S.00°16'52"W., 100.00 feet; thence,
- 17.) N.89°43'08"W., 200.37 feet; thence,
- 18.) N.00°16'52"E., 100.00 feet to a point in the southerly sideline of said South Surprise Valley Drive; thence,
- 19.) N.89°43'08"W., 329.13 feet along said southerly sideline to a point of curvature; thence,
- 20.) Northwesterly, along said southerly sideline along a curve to the right having a radius of 255.50 feet, an arc length of 203.71 feet, a central angle of 45°40'53", a chord bearing of N.66°52'42"W. and a chord length of 198.36 feet to a point; thence, leaving said sideline,
- 21.) S.45°57'45"W., 115.00 feet along a line radial to said sideline to a point; thence along a line parallel with and 115.00 feet southerly of said sideline,



VICINITY MAP
1" = 2000'

- LEASE AREA
- RESERVED AREA



SEC. 32
T.3N. R.3E. B.1
ADA COUNTY, IDAHO

LEASE #311

EXHIBIT 'A'
LESSEE: SURPRISE VALLEY PARTNERSHIP
48.21 ACRES IN SEC 32, T3N, R3E, B1
BOISE BENCH TRANSMISSION LANDS

ADA COUNTY, IDAHO

IDAHO POWER COMPANY BOISE, IDAHO

SCALE: 1" = 400' DATE: 11-22-94

| | | |
|-----------|----------|-----------|
| BY J.B. | APPROVED | 06B-45837 |
| BY J.E. | | |
| BY M.J.R. | | |

CADASTRAL CODE 103032720

CENTRA, IDAHO

And

An easement for roadway and utilities purposes located in the NE¼ NW¼ of Section 32, T.3 N., R.3 E., B.M., Ada County, Idaho, being more particularly described as follows:

Commencing at a brass cap in the center of State Highway 21 (Amity Road) marking the northwest corner of said Section 32; thence,

- A.) S.89°12'39"E., 1334.44 feet along the northerly line of said Section 32 to the northwesterly corner of said Bowler property; thence,
 - B.) S.00°06'56"W., 179.40 feet along the westerly line of said Bowler property to the point of intersection of same with the northerly sideline of South Surprise Valley Drive, being the POINT OF BEGINNING;
 - 1.) Southeasterly, along said northerly sideline, along a curve to the right having a radius of 437.50 feet, an arc length of 30.43 feet, a central angle of 03°59'05", a chord bearing of S.80°21'16"E. and a chord distance of 30.42 feet to the point of intersection of same with the easterly line of said Bowler property; thence,
 - 2.) S.00°06'56"W., 76.87 feet along said easterly property line to the point of intersection of same with the southerly sideline of said South Surprise Valley Drive; thence,
 - 3.) Northwesterly, along said southerly sideline, along a curve to the left having a radius of 362.50 feet, an arc length of 30.63 feet, a central angle of 04°50'27", a chord bearing of N.78°21'16"W., and a chord distance of 30.62 feet to the point of intersection of same with said westerly property line; thence,
 - 4.) N.00°06'56"E., 75.79 feet along said westerly property line to the POINT OF BEGINNING,
- said easement containing 0.053 acres, more or less.

SEVENTH SUPPLEMENT
TO THE
MASTER DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
SURPRISE VALLEY PLANNED RESIDENTIAL
DEVELOPMENT

Surprise Valley Partnership RECORDED-REQUEST OF
ADA COUNTY RECORDER
J. DAVID NAVARRO
BOISE, IDAHO
FEE 57⁰⁰ DEPUTY *[Signature]*
1998 AU 12 AM 11:39 98077167

ADA COUNTY RECORDER
J. DAVID NAVARRO
BOISE, IDAHO
1998 SP -2 PM 4:32

Surprise Valley Partnership RECORDED-REQUEST OF
FEE 48⁰⁰ DEPUTY *K. Vaughn*
98084937

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SEVENTH SUPPLEMENT
TO THE
MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SURPRISE VALLEY PLANNED RESIDENTIAL DEVELOPMENT

THIS SEVENTH SUPPLEMENT TO THE MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SURPRISE VALLEY PLANNED RESIDENTIAL DEVELOPMENT (hereinafter referred to as "Seventh Supplement") is made this ____ day of August, 1998, by Surprise Valley Partnership, an Idaho general partnership ("Grantor" and "Class B Member").

ARTICLE 1: RECITALS

1.1 Supplement to Master Declaration. This Seventh Supplement is a supplement to that certain Master Declaration of Covenants, Conditions and Restrictions for Surprise Valley Planned Residential Development (hereinafter referred to as the "Master Declaration"), recorded on the 23rd day of June, 1995, as Ada County, Idaho Instrument Number 95042516. This Seventh Supplement supplements the Master Declaration with respect to that certain real property legally described in Exhibit A, attached hereto and made a part hereof (the "Seventh Supplement Property"), which is that certain real property shown on the Surprise Valley Subdivision - Phase 6 final plat recorded on the 12 day of August, 1998, as Ada County, Idaho Instrument Number 98077166 (the "Plat"). The covenants, conditions and restrictions contained in this Seventh Supplement are in addition to those covenants, conditions and restrictions contained in the Master Declaration, except insofar as the covenants, conditions and restrictions of the Master Declaration are hereinafter expressly modified.

1.2 Residential Property. The Seventh Supplement Property is a residential development, which Grantor intends to develop in accordance with existing development approvals obtained from the City of Boise City, or any other development plan(s) for which Grantor may from time to time obtain approval.

1.3 Purpose. The purpose of this Seventh Supplement is to subject the Seventh Supplement Property to all the terms, covenants, conditions, and restrictions of the Master Declaration, and to designate the Seventh Supplement Property, Common Area, Local Common Area, Restricted Area, and Phases, and to set forth other terms, covenants, conditions, restrictions and easements which are unique to the Seventh Supplement Property.

ARTICLE 2: DECLARATION

Grantor hereby declares that the Seventh Supplement Property and each Phase, Building Lot, parcel or portion thereof is hereby made a part of the Property as that term is defined in the Master Declaration, and is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to all of the covenants, conditions, easements, restrictions, and all provisions of the Master Declaration and this Seventh Supplement.

ARTICLE 3: DEFINITIONS

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are ascribed to such terms in the Master Declaration.

ARTICLE 4: PHASES AND LOCAL ASSOCIATIONS

4.1 Creation. As described further below, this Seventh Supplement designates one (1) Phase and its corresponding Local Association. The following Local Association shall be organized by Grantor pursuant to the Master Declaration and this Seventh Supplement to carry-out and enforce, together with the Master Association, the terms, covenants, conditions, restrictions and provisions of the Master Declaration and this Seventh Supplement with respect to the Seventh Supplement Property.

4.1.1 Neighborhood K Phase and SV Neighborhood K Local Association, Inc. The following Building Lots as shown on the Plat shall be contained within the "Neighborhood K" Phase and Owners of these Building Lots shall be Members of the SV Neighborhood K Local Association, Inc. and the Master Association:

Block 2, Lots 129 through 152, 154 through 165, 167 through 180, and 182 through 191.

4.2 Membership, Voting, Powers and Duties. Voting in the SV Neighborhood K Local Association, Inc. by its Members and Grantor shall be in accordance with the Master Declaration. All residential Building Lots in the Neighborhood K Phase are for single family residential dwellings, and accordingly, all Delegates of the SV Neighborhood K Local Association, Inc. shall be entitled to one (1) vote in the Master Association and the Recreation Facility Association, as the case may be, for each Building Lot contained within the Neighborhood K Phase. The SV Neighborhood K Local Association, Inc.'s membership, board of directors, powers, duties and all other rights and responsibilities shall be those enunciated in the Master Declaration, the Fifth Supplement, this Seventh Supplement, its corresponding articles of incorporation and bylaws and those conferred upon it by the Master Association.

4.3 Additional Duties of SV Neighborhood K Local Association, Inc. In addition to any other duties imposed upon the SV Neighborhood K Local Association, Inc., it shall be solely responsible for the maintenance, repair and replacement of those certain common driveways ("Common Driveways"), water service lines ("Water Service Lines") and sewer service lines ("Sewer Service Lines") constructed by Grantor across, under and through portions of Lots 133 and 134, 136 and 137, 150 and 151, 154 and 155, 174 and 175, and 185 and 186, Block 2, Surprise Valley Subdivision - Phase 6, for 1) ingress and egress to Lots 133 and 134 (which common driveway for, across and through Lots 133 and 134 shall be referred to herein as "Common Driveway One"), 136 and 137 (which common driveway for, across and through Lots 136 and 137 shall be referred to herein as "Common Driveway Two"), 150 and 151 (which common driveway for, across and through Lots 150 and 151 shall be referred to herein as "Common Driveway Three"), 154 and 155 (which common driveway for, across and through Lots 154 and 155 shall be referred to herein as "Common Driveway Four"), 174 and 175 (which common driveway for, across and through Lots 174 and 175 shall be referred to herein as "Common Driveway Five"), and 185 and 186 (which common driveway for, across and through Lots 185 and 186 shall be referred to herein as "Common Driveway Six"); 2) the supply of domestic, potable water to Lots 133 and 134 (which water supply lines for, across and through Lots 133 and 134 shall be collectively referred to herein as "Water Line One"), 136 and 137 (which water supply lines for, across and through Lots 136 and 137 shall be collectively referred to herein as "Water Line Two"), 150 and 151 (which water supply lines for, across and through Lots 150 and 151 shall be collectively referred to herein as "Water Line Three"), 154 and 155 (which water supply lines for, across and through Lots 154 and 155 shall be collectively referred to herein as "Water Line Four"), 174 and 175 (which water supply lines for, across and through Lots 174 and 175 shall be collectively referred to herein as "Water Line Five"), and 185 and 186 (which water supply lines for, across and through Lots 185 and 186 shall be collectively referred to herein as "Water Line Six"); and 3) waste water disposal for Lots 133 and 134 (which waste water lines for, across and through Lots 133 and 134 shall be collectively referred to herein as "Sewer Line One"), 136 and 137 (which waste water lines for, across and through Lots 136 and 137 shall be collectively referred to herein as "Sewer Line Two"), 150 and 151 (which waste water lines for across and through Lots 150 and 151 shall be collectively referred to herein as "Sewer Line Three"), 154 and 155 (which waste water lines for, across and through Lots 154 and 155 shall be collectively referred to herein as "Sewer Line Four"), 174 and 175 (which waste water lines for, across and through Lots 174 and 175 shall be collectively referred to herein as "Sewer Line Five"), and 185 and 186 (which waste water lines for across and through Lots 185 and 186 shall be collectively referred to herein as "Sewer Line Six").

For purposes of this Seventh Supplement, the terms Common Driveway, Common Driveway One, Common Driveway Two, Common Driveway Three, Common Driveway Four, Common Driveway Five and Common Driveway Six shall refer only to the paved portions of these common driveways. Accordingly, the SV Neighborhood

K Local Association, Inc. shall be responsible only for the maintenance, repair and replacement of the paved portions of the Common Driveways regardless of the width of the corresponding perpetual easements associated with these Common Driveways. Owners of Lots 133, 134, 136, 137, 150, 151, 154, 155, 174, 175, 185 and 186 shall be responsible for the landscaping of their Lots, including the maintenance, repair and replacement thereof, up to the paved areas of the Common Driveways regardless of the actual width of the corresponding perpetual easements associated with these Common Driveways. The Common Driveways, Water Lines and Sewer Lines, together with the associated perpetual easements, are all further described on the Plat.

Owners of Lots 133, 134, 136, 137, 150, 151, 154, 155, 174, 175, 185 and 186 shall not be entitled to maintain, repair or replace the Common Driveways, Water Lines, Sewer Lines or any portions thereof. In addition, the Owners of Lots 133 and 134 shall not obstruct or otherwise restrict each other from the use and enjoyment of Common Driveway One, Water Line One, or Sewer Line One; the Owners of Lots 136 and 137 shall not obstruct or otherwise restrict each other from the use and enjoyment of Common Driveway Two, Water Line Two, or Sewer Line Two; the Owners of Lots 150 and 151 shall not obstruct or otherwise restrict each other from the use and enjoyment of Common Driveway Three, Water Line Three, or Sewer Line Three; the Owners of Lots 154 and 155 shall not obstruct or otherwise restrict each other from the use and enjoyment of Common Driveway Four, Water Line Four, or Sewer Line Four; the Owners of Lots 174 and 175 shall not obstruct or otherwise restrict each other from the use and enjoyment of Common Driveway Five, Water Line Five, or Sewer Line Five; the Owners of Lots 185 and 186 shall not obstruct or otherwise restrict each other from the use and enjoyment of Common Driveway Six, Water Line Six, or Sewer Line Six. No other Owner within the Property shall be entitled to use the Common Driveways, Water Lines or Sewer Lines.

All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. associated with the ordinary maintenance, repair and replacement of the Common Driveways, including, without limitation, snow removal, shall be reimbursed to the Association by the Owners of Lots 133, 134, 136, 137, 150, 151, 154, 155, 174, 175, 185 and 186 in the following proportionate shares:

| | |
|-----------------------|---------------|
| Common Driveway One | Lot 133 - 66% |
| | Lot 134 - 34% |
| Common Driveway Two | Lot 136 - 34% |
| | Lot 137 - 66% |
| Common Driveway Three | Lot 150 - 66% |
| | Lot 151 - 34% |

| | |
|----------------------|---------------|
| Common Driveway Four | Lot 154 - 34% |
| | Lot 155 - 66% |
| Common Driveway Five | Lot 174 - 66% |
| | Lot 175 - 34% |
| Common Driveway Six | Lot 185 - 34% |
| | Lot 186 - 66% |

All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line One or Water Line One serving Lot 133 shall be reimbursed to the Association by the Owner of Lot 133. All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line One or Water Line One serving Lot 134 shall be reimbursed to the Association by the Owner of Lot 134.

All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Two or Water Line Two serving Lot 136 shall be reimbursed to the Association by the Owner of Lot 136. All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Two or Water Line Two serving Lot 137 shall be reimbursed to the Association by the Owner of Lot 137.

All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Three or Water Line Three serving Lot 150 shall be reimbursed to the Association by the Owner of Lot 150. All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Three or Water Line Three serving Lot 151 shall be reimbursed to the Association by the Owner of Lot 151.

All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Four or Water Line Four serving Lot 154 shall be reimbursed to the Association by the Owner of Lot 154. All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Four or Water Line Four serving Lot 155 shall be reimbursed to the Association by the Owner of Lot 155.

All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Five or Water Line Five serving Lot 174 shall be reimbursed to the Association by the Owner of Lot 174. All expenses, costs and other fees incurred by the SV

Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Five or Water Line Five serving Lot 175 shall be reimbursed to the Association by the Owner of Lot 175.

All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Six or Water Line Six serving Lot 185 shall be reimbursed to the Association by the Owner of Lot 185. All expenses, costs and other fees incurred by the SV Neighborhood K Local Association, Inc. for the ordinary maintenance, repair and replacement of Sewer Line Six or Water Line Six serving Lot 186 shall be reimbursed to the Association by the Owner of Lot 186.

With respect to Common Driveway One, Water Line One or Sewer Line One, any expenses, costs or fees incurred by the SV Neighborhood K Local Association, Inc. for any maintenance, repair or replacement thereof directly attributable to an Owner of Lot 133 or 134, or any family member, agent or other representative of said Owner, shall be assessed directly against said Owner in the form of a Limited Assessment. With respect to Common Driveway Two, Water Line Two or Sewer Line Two, any expenses, costs or fees incurred by the SV Neighborhood K Local Association, Inc. for any maintenance, repair or replacement thereof directly attributable to an Owner of Lot 136 or 137, or any family member, agent or other representative of said Owner, shall be assessed directly against said Owner in the form of a Limited Assessment. With respect to Common Driveway Three, Water Line Three or Sewer Line Three, any expenses, costs or fees incurred by the SV Neighborhood K Local Association, Inc. for any maintenance, repair or replacement thereof directly attributable to an Owner of Lot 150 or 151, or any family member, agent or other representative of said Owner, shall be assessed directly against said Owner in the form of a Limited Assessment. With respect to Common Driveway Four, Water Line Four or Sewer Line Four, any expenses, costs or fees incurred by the SV Neighborhood K Local Association, Inc. for any maintenance, repair or replacement thereof directly attributable to an Owner of Lot 154 or 155, or any family member, agent or other representative of said Owner, shall be assessed directly against said Owner in the form of a Limited Assessment. With respect to Common Driveway Five, Water Line Five or Sewer Line Five, any expenses, costs or fees incurred by the SV Neighborhood K Local Association, Inc. for any maintenance, repair or replacement thereof directly attributable to an Owner of Lot 174 or 175, or any family member, agent or other representative of said Owner, shall be assessed directly against said Owner in the form of a Limited Assessment. With respect to Common Driveway Six, Water Line Six or Sewer Line Six, any expenses, costs or fees incurred by the SV Neighborhood K Local Association, Inc. for any maintenance, repair or replacement thereof directly attributable to an Owner of Lot 185 or 186, or any family member, agent or other representative of said Owner, shall be assessed directly against said Owner in the form of a Limited Assessment.

In the event of any conflict between this Section 4.3 and the Master Declaration, this Section 4.3 shall control.

ARTICLE 5: RECREATION FACILITY ASSOCIATION MEMBERS

All Owners of Building Lots within the Seventh Supplement Property shall be Members of the Recreation Facility Association, and shall be entitled to the use of the Recreation Facility(ies).

ARTICLE 6: DESIGNATION OF COMMON AREAS AND RESTRICTED AREAS

The following Building Lots as shown on the Plat are Common Areas:

Block 2, Lots 128, 153, 166, and 181.
Block 47, Lot 1.
Block 48, Lot 1.
Block 49, Lot 1.
Block 50, Lot 1.
Block 51, Lot 1.

These Common Areas shall be deeded by Grantor to the Master Association or the Local Association, and these Common Areas, including any and all Improvements thereon, shall be operated and maintained pursuant to the Master Declaration and this Seventh Supplement by the Association which receives ownership of the same from Grantor.

ARTICLE 7: MISCELLANEOUS

7.1 Term. The covenants, conditions, restrictions and equitable servitudes of this Seventh Supplement shall run until December 31, 2035, unless amended as provided in this Seventh Supplement. After December 31, 2035, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument approved by Members holding at least three-fourths (3/4) of the total voting power of the Master Association, and such written instrument is recorded with the Ada County Recorder's Office.

7.2 Amendment.

7.2.1 By Grantor. Except as provided in Section 7.3, until the recordation of the first deed to a Building Lot within the Seventh Supplement Property, the provisions of this Seventh Supplement may be amended, modified, clarified, supplemented, added to or terminated (collectively "amendment") by Grantor by recordation of a written instrument setting forth such amendment.

7.2.2 By Owners. Except as provided in Section 7.3, after the recordation of the first deed to a Building Lot, any amendment to any provision of this Seventh Supplement, other than to this Article 7, shall be by an instrument in

writing signed and acknowledged by the president and secretary of the Master Association certifying and attesting that such amendment has been approved by the vote or written consent of Members representing more than two-thirds (2/3) of the total voting power within the Seventh Supplement Property, except where a greater percentage is required by express provision in this Seventh Supplement, and such amendment shall be effective upon its recordation with the Ada County Recorder's Office. Any amendment to this Article 7 shall require the vote or written consent of Members holding ninety-five percent (95%) of the voting power within the Seventh Supplement Property.

7.2.3 Effect of Amendment. Any amendment of this Seventh Supplement approved in the manner specified above shall be binding on and effective as to all Owners of any lot, parcel or portion of property within the Seventh Supplement Property and their respective properties notwithstanding that such Owners may not have voted for or consented to such amendment. Such amendments may add to and increase the covenants, conditions, restrictions and easements applicable to the Seventh Supplement Property but shall not prohibit or unreasonably interfere with the allowed uses of such Owner's property which existed prior to the said amendment.

7.3 Mortgage Protection. The provisions of Article XVII, Section 17.3 of the Master Declaration shall be specifically applicable to the Seventh Supplement Property.

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

7.5 Enforcement and Non-Waiver.

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

7.5.2 Violations and Nuisances. The failure of any Owner of a Building Lot within the Seventh Supplement Property to comply with any provision of this Seventh Supplement, any provision of the Master Declaration, or with any provision

of the Project Documents, is hereby declared a nuisance and will give rise to a cause of action in Grantor, an Association or any Owner for recovery of damages or for negative or affirmative injunctive relief or both.

7.5.3 Violation of Law. Any violation of any federal, state, municipal or local law, statute, ordinance, rule or regulation pertaining to the ownership, occupation or use of any property within the Seventh Supplement Property is hereby declared to be a violation of this Seventh Supplement and subject to any or all of the enforcement procedures set forth in this Seventh Supplement and any or all enforcement procedures in law and equity.

7.5.4 Remedies Cumulative. Each remedy provided in this Seventh Supplement is cumulative and not exclusive.

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

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

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

7.6.2 Restrictions Severable. Notwithstanding the provisions of the foregoing Subsection 7.6.1, each of the provisions of this Seventh Supplement shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

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

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

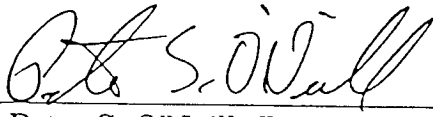
7.7 Successors and Assigns. All references herein to Grantor, Owners, Members, an Association or Person shall be construed to include all successors,

assigns, partners and authorized agents of such Grantor, Owners, Members, Association or Person.

IN WITNESS WHEREOF, the undersigned has duly executed this Seventh Supplement this 13th day of August, 1998.

SURPRISE VALLEY PARTNERSHIP,
an Idaho general partnership

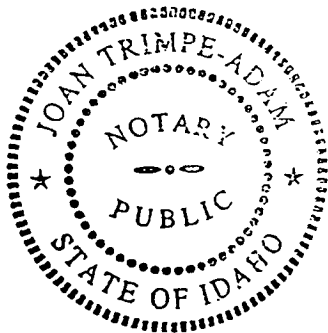
By: O'Neill Enterprises, Inc.,
an Idaho corporation, a partner

By: 
Peter S. O'Neill, President

STATE OF IDAHO)
) ss.
County of Ada)

On this 2nd day of August, 1998, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared PETER S. O'NEILL, known or identified to me to be the President of O'NEILL ENTERPRISES, INC., a partner in the partnership of Surprise Valley Partnership, the partner who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same said partnership's name.

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



Joan Trimpe-Adam
Notary Public for Idaho
Residing at Burien
My commission expires: 2/3/2001

EXHIBIT A
Legal Description of the Seventh Supplement Property

A parcel of land situated the SE ¼ of the SW ¼ of Section 33, T.3N., R.3E., BM, and in Government Lots 3 and 4 of Section 4, T.2N., R.3E., B.M., City of Boise City, Ada County, Idaho, as shown on Record of Survey No. 3402, recorded as Instrument No. 95094868, Ada County Records, more particularly described as follows:

COMMENCING at the southwest corner of Section 33, T.3N., R.3E., BM, from which, the north ¼ corner of Section 4, T.2N., R.3E., bears N.89°13'46"E., 2566.88 feet: thence along the south line of said Section 33,

- A.) N.89°13'46"E., 677.85 feet to a point on the southwesterly boundary line of Surprise Valley Subdivision - Phase 4, as shown in Book 73 of Plats, Pages 7604 through 7609, Ada County Records; thence, along said southwesterly line,
- B.) S.49°17'04"E., 153.35 feet to an angle point thereon: thence, continuing along said line,
- C.) S.55°58'00"E., 585.85 feet to the most southerly corner of Lot 116, Block 2 of said Surprise Valley Subdivision - Phase 4, and the **POINT OF BEGINNING**; thence, along the southeasterly boundary of said Surprise Valley Subdivision - Phase 4, through the following courses:
 - 1.) N.66°09'46"E., 124.78 feet; thence,
 - 2.) N.37°01'03"E., 207.34 feet; thence,
 - 3.) N.46°13'51"E., 163.16 feet; thence,
 - 4.) N.36°56'43"E., 120.62 feet; thence,
 - 5.) N.02°30'36"E., 106.34 feet to the existing southerly Right-of-Way line of South Surprise Way as described in Warranty Deed dated November 3, 1997 as Instrument No. 97091396, Ada County Records; thence, leaving the southeasterly boundary of said Surprise Valley Subdivision - Phase 4, along said southerly Right-of-Way line, through the following courses:

Legal Description of the Seventh Supplement Property
(continued)

- 6.) S.49°18'42"E., 289.38 feet to the beginning of a tangent curve; thence,
- 7.) Southeasterly, along said curve to the left having a radius of 1025.50 feet, an arc length of 428.42 feet, a central angle of 23°56'11", a chord bearing and distance of S.61°16'47"E., 425.31 feet; thence, tangent from said curve,
- 8.) S.73°14'53"E., 198.70 feet to the beginning of a tangent curve; thence,
- 9.) southeasterly, along a said curve to the right having a radius of 299.50 feet, an arc length of 361.46 feet, a central angle of 69°08'57", a chord bearing and distance of S.38°40'24"E., 339.92 feet; thence, tangent from said curve,
- 10.) S.04°05'56"E., 92.81 feet to a point on the northerly Right-of-Way line of State Highway 21; thence, leaving said S. Surprise Way Right-of-Way line, along said Highway 21 Right-of-Way line through the following courses:
- 11.) S.85°54'53"W., 318.13 feet to an angle point thereon; thence,
- 12.) N.04°05'07"W., 125.00 feet to an angle point; thence,
- 13.) S.85°54'53"W., 771.28 feet to a point on the southwesterly line of the above described Record of Survey; thence, leaving said Right-of-Way line, along said southwesterly Record of Survey line,
- 14.) N.55°58'00"W., 410.43 feet to the POINT OF BEGINNING.

The above described property is platted, or will be platted, as the Surprise Valley Subdivision - Phase 6 Final Plat.