



BANBURY MEADOWS SUBDIVISION
RESTATED MASTER DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

Dated: APRIL 16, 1999
[Amended by Fifth Supplement 7/23/2004]

Including supplements 1 to 8
and all modifications through
May 8, 2007

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MASTER
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BANBURY MEADOWS SUBDIVISION

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BANBURY MEADOWS SUBDIVISION is made effective as of the 16th day of April, 1999, by Hoff Companies, Inc. ("Grantor and "Class B Member") and Banbury Meadows Homeowners' Association, Inc., an Idaho non-profit corporation ("Master Association"). *[Amended by Fifth Supplement 7/23/2004]*

ARTICLE I: RECITALS

1.1 Property Covered. The property subject to this Master Declaration of Covenants, Conditions and Restrictions for Banbury Meadows Subdivision ("Master Declaration") is the Property legally described in **Exhibit A** attached hereto and made a part hereof (the "Property"). Grantor intends to develop the Property in stages, which are generally depicted in **Exhibit C** to this Master Declaration. Each development stage shall constitute a Tract, as defined herein. *[Added by First Supplement 6/2/1999]*: The covenants, conditions and restrictions contained in this First 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 modified.

1.2 Residential Development. Banbury Meadows Subdivision is a residential development, which Grantor currently intends to develop in accordance with existing development approvals obtained from Eagle City and documented in Eagle City files or any other development plan(s) for which Grantor may from time to time obtain approval. Certain portions of the Property may be developed for quality detached single-family residential homes, townhomes and patio homes. The Property may contain parcels of Common Area, including but not limited to streams and canals, public and/or private open space, park areas, landscaping, wildlife habitat, recreational facilities, private streets, drives, and other amenities and facilities. Any development plans or schemes for the Property in existence prior to or following the effective date of this Master Declaration are subject to change at any time by Grantor, and impose no obligation on Grantor as to how the Property is to be developed or improved. *[Added by First Supplement 6/2/1999]*: The First Supplement Property is a residential development to be developed in accordance with existing development approvals obtained from the City of Eagle, or any other development plan(s) which may from time to time be approved.

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 all portions of the Property. The Restrictions are designed to preserve the Property's value, desirability and attractiveness, to ensure a well integrated, high-quality development, and to guarantee adequate maintenance of the Common Area, and the Improvements located thereon in a cost effective and administratively efficient manner. *[Added by First Supplement 6/2/1999]*: The purpose of this First Supplement is to designate the First Supplement Property as a Tract under the Master Declaration, to designate and provide for management of Common Area, to include the Owners of Building Lots in the Master Association, and to set forth other terms and conditions which are uniquely suited for the Improvements to be constructed upon the First Supplement Property. This First Supplement further grants certain rights to Starwood of Eagle, Inc., an Idaho corporation ("Starwood"), and its successors and assigns, in contemplation of its development and operation of the First Supplement Property.

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, covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance,

subdivision, improvement and sale of the Property, and to enhance the value, desirability and attractiveness of the Property. The terms, covenants, conditions, easements and restrictions set forth herein: shall run with the land constituting the Property, and with each estate therein, and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; shall inure to the benefit of every lot, parcel or portion of the Property and any interest therein; and should inure to the benefit of and be binding upon Grantor, Grantor's successors in interest, and each grantee or Owner and such grantee's or Owner's, respective successors in interest, and may be enforced by Grantor, by any Owner or such Owner's successors in interest, or by the Master Association or any Local Association. *[Added by First Supplement 6/2/1999]*: The First Supplement Property and each Building Lot, parcel or portion is 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 First Supplement. *[Added by Second Supplement 7/26/1999]*: The property contained in the Second Supplement Property, and each building lot, parcel or portion thereof is 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 the covenants, conditions and restrictions, and all provisions of the Master Declaration and this Second Supplement. The Second Supplement Property is generally designated as Tract 2 in Exhibit C to the Master Declaration. *[Added by Third Supplement 5/25/2000]*: The property described as the "Third Supplement Property" shall be held, sold, conveyed and be subject to the Declaration and the Third Supplement to the Master Declaration. *[Added by Fourth Supplement 1/25/2002]*: The property described as the "Fourth Supplemental Property," shall be held, sold, conveyed and be subject to the Declaration and the Fourth supplement to the Master Declaration...The provisions set forth on the Fourth Supplement shall control and prevail upon any conflicting provisions contained in the Declaration. *[Added by the Fifth Supplement 7/23/2004]*: ...the property described as the "Fifth Supplemental Property," shall be held, sold, conveyed and be subject to the Declaration and the Fifth supplement to the Master Declaration. The provisions set forth on this Fifth Supplement shall control and prevail upon any conflicting provisions contained in the Declaration. *[Added by Sixth Supplement 5/12/2005]*: ...the "Sixth Supplemental Property," shall be held, sold, conveyed and be subject to the Declaration and the Sixth Supplement to the Master Declaration... The provisions set forth on this Sixth Supplement shall control and prevail upon any conflicting provisions contained in the Declaration. *[Added by Seventh Supplement 10/4/2005]*: ...the property described as the "Seventh Supplemental Property," shall be held, sold, conveyed and be subject to the Declaration and the Seventh Supplement to the Master Declaration...The provisions set forth on this Seventh Supplement shall control and prevail upon any conflicting provisions contained in the Declaration.

Notwithstanding the foregoing, no provision of this Master Declaration shall be construed as to prevent or limit Grantor's right to complete development of the Property and 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 or any public right-of-way, nor Grantor's right to post signs incidental to construction, sales or leasing.

ARTICLE III: DEFINITIONS

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

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

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

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

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

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

3.7 "Building Lot" shall mean one or more lots within a Tract as specified or shown on any Plat and/or by Supplemental Declaration, upon which Improvements may be constructed. The term "Building Lot" shall include single family residential lots, but shall not include the Common Area. *[Added by the Third Supplement 5/25/2000]:* The following lots shall be referred to as "Estate Lots": Lots 13 through 16 Block 28 and Lots 12 through 19 Block 29. When a single family residence is constructed on two or more Estate Lots, the Estate Lots on which the single family residence under common ownership is constructed shall be deemed ONE lot for the limited purpose of the Uniform Building Code. With respect to voting rights and assessments, each of the combined lots shall retain the individual rights and burdens.

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

3.9 "Common Area" shall mean any or all parcels of Banbury Meadows Common Area or Local Common Area, whichever is appropriate in the context, and shall include, without limitation, all such parcels that are designated on any recorded plat for all or any portion of the property described in **Exhibit A** as private streets or drives, common open space, common landscaped areas, and waterways.

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

3.11 "Grantor" shall mean Banbury Meadows, LLC or Hoff Companies, Inc., or its successor in interest, or any person or entity to whom the rights under this Declaration are expressly transferred by Hoff Companies, Inc. or its successor.

3.12 "Improvement" shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, streets, drives, driveways, sidewalks, bicycle paths, curbs, landscaping, wildlife habitat improvements, signs, lights, mail boxes, electrical lines, pipes, pumps, pressurized irrigation system, ditches, waterways, recreational facilities, and fixtures of any kind whatsoever.

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

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

3.14 "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.

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

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

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

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

3.20 "Banbury Meadows Subdivision" shall mean the Property.

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

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

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

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

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

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

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

3.28 "Tract" shall mean a defined portion of the Property within, which the contemplated development involves a common use or compatible uses, and which may have been designed as a Tract by recorded Supplemental Declaration. Each Tract shall contain one or more Building Lots, and may be managed to the extent permitted herein by a Local Association subject to Supplemental Declarations relating to each Tract. Each Tract is generally depicted on **Exhibit C**, attached hereto and made a part hereof.

3.29 "Visible Above Ground". With respect to any given object, such object is or would be visible to a person six feet tall standing on an assumed floor elevation two feet (2') above the surface of any neighboring property in the area involved, assuming that the property had an elevation equal to the highest elevation of the ground surface of that portion of the area upon which the object is located.

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

3.31 "Banbury Meadows Wildlife Habitat and Nature Park" shall mean all of that certain real property within Banbury Meadows Subdivision more particularly described in **Exhibit B**.

ARTICLE IV: GENERAL AND SPECIFIC RESTRICTIONS

[Added by First Supplement 6/2/1999]: Until such time as an occupancy permit has been issued for all Building Lots in the Supplemental Property and each dwelling unit is occupied, no Person, including Grantor, the Master Association and Starwood, shall take any act or exercise any right reserved (including any right reserved by, in or through the Master Declaration) with regard to the First Supplement Property that would impose an additional burden or obligation on the First Supplement Property except as may be mutually agreed upon by Grantor, the Master Association and Starwood. A non-exhaustive list of acts or reservations herein restricted, includes:

- (i) Dedicate or transfer any portion of the First Supplement Property to any public agency, authority or utility, or otherwise to the general public or for the general public or for any public purpose whatsoever.
- (ii) Amend the Master Declaration if such amendment imposes an additional burden or obligation on the First Supplement Property.
- (iii) Amend the First Supplement.
- (iv) Record, modify or vacate any plat for or including the First Supplement Property.
- (v) Subdivide or resubdivide any portion of the First Supplement Property.
- (vi) Grant, establish and/or reserve any license, easement, reservation or right-of-way on any portion of the Common Area.
- (vii) Use any structure on the First Supplement Property as a model home or real estate sales or leasing office.
- (viii) Create any Local Association for the First Supplement Property.

4.1 Structures - Generally. All structures are to be designed, constructed and used in such a manner as to promote compatibility between the types of use contemplated by this Master Declaration. *[Added by First supplement 6/2/1999]:* The following standards and restrictions shall be applicable to the construction of residential structures on the First Supplement Property:

- (i) No residential structures shall be built to a height greater than twenty-eighty (28) feet (as measured from the natural contour of the surrounding area).
- (ii) No residential structures shall contain less than fourteen hundred (1400) square feet of building space, excluding garage space.
- (iii) Two-story residential structures shall be permitted on any Building Lot located in the First Supplemental Property.

[Added by Second Supplement 7/27/1999]: Structures - Residential. The following standards and restrictions shall be applicable to the construction of residential structures on the non-common area lots contained in the Second Supplement Property:

- (i) No residential structures greater than one-story in height may be constructed on the following lots:

Lots 1, 4, 8, 9, 13, and 14, Block 12

Lot 4, Block 20

Lot 9, Block 22

Lot 4, Block 24

Lot 1, Block 25

No bonus rooms or living quarters of any kind or nature shall be allowed to be constructed on the second story of the residences constructed on the above-described single-story lots.

- (ii) No residential single-story structure shall contain less than 1,800 square feet of interior floor area, exclusive of porches and garages. Two-story residential structures must contain a minimum of 1,400 square feet of interior floor area on the first floor, and a minimum of 500 square feet of interior floor area on the second floor. The aforementioned size limitations are subject to variances as may be permitted in Article XI Section 11.9 of the Master Declaration.

[Added by Third Supplement 5/25/2000]: The additional identification of single story Lots is as follows:

Lots 2, 4, 9 Block 26

Lots 13, 19 Block 29

Notwithstanding the foregoing, if Lots 13 and 19 Block 29 are combined with Adjacent Lots for the construction of a single residence under common ownership with the Adjacent Lots, the Combined Lots (defined as "Estate Lots" in Article III, Section 3.7) shall not be under the single story restriction set forth above,"

[Added by Seventh Supplement 11/4/2005]: Lots 4 - 57 are identified as Patio Home Lots

Lots 35 and 36 Block 43, Lots 37 and 38 Block 43, Lots 44 and 45, Block 43 are designated as Patio Home Unit Duplexes. These Patio Home Lots which are listed together shall have one Patio Home Unit Duplex built on the two adjacent Patio Home Lots with the common party wall on the boundary line between the two listed Patio Home Lots. Each of the Patio Home Units in a duplex shall be a single family residence.

4.1.1 Lot Use. All Lots shall be used for single family residential purposes and such uses as are customarily incidental thereto. No Lot shall be used at any time for commercial or business purposes except for such commercial or business purposes as shall be conducted and maintained solely within a residential Dwelling Unit; provided that no signs relating to said commercial or business activities shall be displayed where visible from any public or private road within the subdivision; and further provided that such commercial or business purposes shall not generate more than an average of three customer visits per day calculated over a five day work week; and further provided that such business does not employ any person not living within the Dwelling Unit constructed on the said Lot. Notwithstanding the foregoing, the Declarant, or persons authorized by the Declarant, may use a Lot or Lots for development and sales activities relating to the subdivision, including but not limited to use of Lots for model homes or a real estate marketing and sales office. Additional building restrictions will be set forth in Supplemental Declarations permitted under Article VI of this Master Declaration. The restrictions set forth herein shall be interpreted and construed in accordance with state and federal law and shall not be enforced against any business, entity or person on the basis of race, color, religion, sex, handicap, familial status, or national origin. The foregoing is specifically reiterated and applicable to all of the Property presently consisting of Banbury Meadows and shall be applicable to all future Supplemental Property annexed to Banbury Meadows and subject to the Declaration. *[Amended by the Eighth Supplement 6/30/2006] [Supplement number corrected 8/15/2006]*

4.1.2 Architectural Committee Review. No Improvements which will be visible above ground or which will ultimately affect the visibility of any above ground Improvement shall be built, erected, placed or materially altered on or removed from the Property unless and until the building plans, specifications, and plot plans have been reviewed in advance by the Architectural Committee (and, if required, by an applicable Local Architectural Committee pursuant to paragraph 11.10) and the same has been approved in writing. The review and approval or disapproval may be based upon the following factors: design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color, materials, including approved material, physical or aesthetic impacts on other properties, including Common Areas, artistic conformity to the terrain and the other Improvements on the Property, and any and all other factors which the Architectural Committee, in its reasonable discretion, deem relevant. Said requirements as to the approval of the architectural design shall apply only to the exterior appearance of the Improvements. This Master Declaration is not intended to serve as authority for the Architectural Committee to control the interior layout or design of residential structures except to the extent incidentally necessitated by use, size and height restrictions.

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

4.1.4 Building Elevations. All residential structures within Banbury Meadows Subdivision shall be designed and constructed so that the finished floor level of the interior living area of such residence is at least one (1) foot above the 100 year flood plain

level of the Boise River, or at such other elevation as is specified by the Federal Emergency Management Act or the City of Eagle, Idaho.

4.1.5 Accessory Structures. No detached storage sheds shall be allowed on any Building Lot. Garages, storage sheds attached to the residential structure, patio covers, and detached patio covers, shall be constructed of, and roofed with, the same materials, and with similar colors and design, as the residential structure on the applicable Building Lot. No playhouses, playground equipment, pools, pool slides, diving boards, hot tubs, spas, or similar items shall extend higher than five (5) feet above the finished graded surface of the Building Lot upon which such item(s) are located. Basketball backboards shall not be allowed unless approved by the Architectural Review Committee in approved locations and subject to aesthetic screening restrictions. All of the above allowed items are subject to Architectural Committee approval.

[Added by conciliation agreement with US Department of Housing and Urban Development and Intermountain Fair Housing Council 5/23/2006]: The Banbury Meadows Homeowner Association ("Association") recognizes the value of maintaining and promoting a community environment suitable for all families regardless of race, color, religion, sex, handicap, familial status or national origin. The Association is therefore dedicated to fostering an open and welcoming community for all families. To meet this goal, the Association must strive to ensure that its homeowners do not use their individual properties in such a manner so as to discourage or limit the use and enjoyment of property owned by other homeowners. Further, it is essential that each particular homeowner does his or her part not to detract from the overall aesthetic quality expected from the neighborhood's residents in general. The Association understands that flexibility and compromise are qualities essential to achieving these goals. To this end, the Association is committed to developing a set of objective procedures to govern the decision making process for permitting variances to the Association's Master Declaration of Covenants, Conditions and Restrictions. In addition to establishing a fair and consistent process for deciding variances, the Association shall endeavor to consider each request for a variance in an impartial and just manner regardless of race, color, religion, sex, handicap, familial status or national origin.

4.1.6 Driveways. All access driveways shall have a wearing surface of concrete, or other hard surface materials as approved by the Architectural Committee, and shall be properly graded to assure proper drainage. No driveway shall be wider than the garage to which said driveway leads.

4.1.7 Mailboxes. All mailboxes will be constructed as required by the applicable Building Guidelines and shall be located on or adjoining Building Lot lines at places designated by Grantor or the Architectural Committee.

4.1.8 Fencing. No fence, hedge or boundary wall situated anywhere upon a Building Lot shall have a height greater than six (6) feet above the finished graded surface of the Building Lot or Common Area upon which such fence, hedge, or boundary wall is situated. Any fence or boundary wall constructed on or near the lot line common to one or more Building Lots shall be constructed as a "good neighbor" fence or wall. No fence shall be constructed so as to extend toward the street side of the Building Lot past the

street side plane of the dwelling structure constructed thereon. No fence, hedge, or boundary wall which obstructs site lines at an elevation between four (4) and eight (8) feet above any street shall be placed or permitted to remain on any Corner Lot. All fencing and boundary walls constructed on any Building Lot shall be of compatible style and material to that other fencing constructed adjacent to or abutting Common Areas, public and private streets, and shall otherwise be as allowed by Building Guidelines approved by the applicable Architectural Committee.

All rear yard fences which abut BGC inclusive of fairways, lakes, trees and greens shall be of non-view obstruction design and construction. All fences must be approved by the Architectural Committee and by the record owner of BGC. The foregoing may only be varied by a written consent approved by the Architectural Review Committee and the record owner of BGC.

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

4.2 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 located or screened in a manner acceptable to the applicable Architectural Committee.

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

4.4 No Further Subdivision. No Building Lot may be further subdivided.

4.5 Signs. No sign of any kind shall be displayed to the public view, without the approval of the applicable Architectural Committee, except: (1) such signs as may be used by Grantor in connection with the development of the Property and sale of Building Lots; (2) temporary signs naming the builder and realtor; (3) such signs identifying Banbury Meadows Subdivision, or informational signs, of customary and reasonable dimensions as prescribed by the Architectural Committee may be displayed on or from the Common Area; and (4) one (1) sign of customary and reasonable dimensions as prescribed by the Architectural Committee as may be displayed by an Owner other than Grantor on or from the street side of a Building Lot advertising the residence for sale or lease. A customary "for sale" or "for lease" sign not more than three (3) feet by two (2) feet shall not require Architectural Committee approval. Without limiting the foregoing, no sign shall be placed in the Common Area without the written approval of the applicable Architectural Committee.

4.6 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, including Common Area or vacant Building Lots, and no odor shall be permitted to arise there from so as to render the Property or any portion thereof

unsanitary, unsightly, offensive or detrimental to the Property or to its occupants, or to any other property in the vicinity thereof or to its occupants. No noise or other nuisance, shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to the Property or to its occupants or to other property in the vicinity or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes which have been approved by the Master Association), flashing lights or search lights, shall be located, used or placed on the Property without the prior written approval of the Master Association. The sale of golf balls and refreshments to patrons of BGC from Building Lots or from Common Area is strictly prohibited.

4.7 Exterior Maintenance: Owner's Obligations. No Improvement shall be permitted to fall into disrepair, and each Improvement shall at all times be kept in good condition and repair. In the event that any Owner shall permit any Improvement, 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 their Building Lot which would otherwise be an Associations' responsibility to maintain, the Board of the Local Association of which such Owner is a Member (or the Board of the Master Association if the Local Association fails to act), upon fifteen (15) days prior written notice to the Owner of such property, shall have the right to correct such condition, and to enter upon such Owner's Building Lot for the purpose of doing so, and such Owner shall promptly reimburse the Local or Master Association, as the case may be, for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments set forth in Article VIII of this Master Declaration. 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 therefore, or the amounts may, at the option of the Board, be added to the amounts payable by such Owner as Regular Assessments. Each Owner shall have the remedial rights set forth herein if the applicable Associations fail to exercise their rights within a reasonable time following written notice by such Owner.

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

4.9 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 Eagle City Code or by the Master or Local Association, shall maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, means or devices which are not the responsibility of the Ada County Highway District, or other public agency, and plantings and ground cover installed or completed thereon. Such requirements shall be subject to Regular, Special, and Limited Assessments provided in Article VIII herein, as may be applicable.

4.10 Water Supply Systems. No separate or individual water supply system, regardless of the proposed use of the water to be delivered by such system, shall be permitted on any Building Lot unless such system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of the Board of the Master Association and all governmental authorities having jurisdiction. All Building Lots are prohibited from irrigation of the Lot from their domestic water system unless the Pressurized Irrigation System installed in the Banbury Meadows Subdivision is inoperative.

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

4.12 Unsightly Articles. No unsightly articles shall be permitted to remain on any Building Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage and trash shall not be visible above ground, except on garbage pick-up days. No clothing or fabrics shall be hung, dried or aired in such a way as to be visible to other property, and no equipment, heat pumps, compressors, containers, lumber, firewood, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Building Lot except within an enclosed structure or as appropriately screened from view as determined by the Architectural Committee. Any wood burning devices installed on a Building Lot must comply with the then current EPA Approved Wood Burning Design Standards. No vacant residential structures shall be used for the storage of building materials.

4.13 No Temporary Structures. No house trailer, mobile home, tent, 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 and is further subject to Architectural Committee approval for design, location and landscaping.

4.14 No Unscreened Boats, Campers and Other Vehicles. No boats, trailers, campers, all-terrain vehicles, motorcycles, recreational vehicles, bicycles, dilapidated or unrepaired and unsightly vehicles or similar equipment shall be placed upon any portion of the Property (including, without limitation, streets, parking areas and driveways) unless the same are enclosed by a structure concealing them from view in a manner approved by the applicable Architectural Committee. To the extent possible, garage doors shall remain closed at all times.

4.15 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 Eagle Sewer District System and pay all charges assessed therefore.

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

4.17 Energy Devices, Outside. No energy production devices, including but not limited to generators of any kind and solar energy devices, shall be constructed or maintained on any portion of the Property without the written approval of the applicable Architectural Committee, except for heat pumps shown in the plans approved by the Architectural Committee. This paragraph 4.18 shall

not apply to passive solar energy systems incorporated into the approved design of a residential structure.

4.18 Vehicles. The use of all vehicles, including but not limited to trucks, automobiles, bicycles, motorcycles, and golf carts, shall be subject to all Association Rules, which may prohibit or limit the use thereof within Banbury Meadows Subdivision. No on-street parking shall be permitted except where expressly designated for parking use. No parking bays shall be permitted in any side, front or backyard. Vehicles parked on a driveway shall not extend into any sidewalk or bike path or pedestrian path. No motorized vehicle or device shall be permitted on any Waterway unless such vehicle is engaged in an emergency procedure.

4.19 Animals/Pets. No animals, birds, insects, pigeons, poultry, pigs or livestock shall be kept on the Property except up to two (2) domesticated dogs, up to two (2) *[by vote of general membership 5/8/2007]* neutered domesticated cats, and other household pets which do not unreasonably bother or constitute a nuisance to others. Without limiting the generality of the foregoing, consistent and/or chronic barking by dogs shall be considered a nuisance. Each dog in Banbury Meadows Subdivision shall be kept on a leash, curbed, and otherwise controlled at all times when such animal is off the premises of its owner. Such owner shall clean up any animal defecation immediately from the Common Area or public right-of-way. Failure to do so may result, at the Board's discretion, with a Limited Assessment levied-against such animal owner. No dog or cat shall be allowed in the Banbury Meadows Wildlife Habitat and Nature Park or in any Waterway. The construction of dog runs or other pet enclosures shall be subject to applicable Architectural Committee approval, shall be appropriately screened, and shall be maintained in a sanitary condition. Dog runs or other pet enclosures shall be placed a minimum of ten (10) feet from the side and/or rear Building Lot line, shall not be placed in any front yard of a Building Lot, and shall be screened from view so as not to be visible from Common Area, an adjacent Building Lot, or from Banbury Golf Club.

4.20 Landscaping. The Owner of any Building Lot shall sod and landscape such Building Lot in conformance with the landscape plan approved by the Master or Local Association, and as approved by the applicable Architectural Committee before said Owner shall occupy the dwelling structure on said Building Lot. (All landscaping shall be planted within thirty (30) days after said dwelling structure is completed, weather permitting.) Prior to construction of Improvements, the Owner (or any Association to which such responsibility has been assigned) shall provide adequate irrigation and maintenance of existing trees and landscaping, shall control weeds, and maintain the Owner's (or Association's) property in a clean and safe condition free of debris or any hazardous condition. All trees located on common Building Lot lines shall be the joint responsibility of the adjoining Building Lot owners. Owners of Building Lots shall not allow fertilizers, pesticides, herbicides, chemicals or other contaminants to flow, migrate, or transmit beyond the exterior boundaries of the Lot. Temporary fencing in front of any riparian area and BGC to protect such riparian area and BGC during the construction shall be required prior to initiation of construction.

The Board and/or applicable Architectural Committee may adopt rules regulating landscaping permitted and required. In the event that any Owner shall fail to install and maintain landscaping in conformance with such rules or shall allow such Owner's landscaping to deteriorate to a dangerous, unsafe, unsightly - or unattractive condition, the Board, or the Board of the Local Association of which such Owner is a Member, upon fifteen (15) days prior written notice to such

Owner, shall have the right to correct such condition and to enter upon such Owner's property for the purpose of doing so, and, such Owner shall promptly, reimburse the Master Association or Local Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments as set forth in Article VIII.

Following commencement of any construction of any Improvement, construction shall be diligently pursued and completed as soon as reasonably practical. All landscaping on a Building Lot, unless otherwise specified by the applicable Architectural Committee, shall be completed as soon as reasonably practical following completion of the residential structure on such Building Lot.

4.21 Exemption of Grantor. Nothing contained herein shall limit the right of Grantor to subdivide or resubdivide any portion of the Property, to grant licenses, to reserve rights-of-way and easements with respect to Common Area to utility companies, public agencies or others, or to complete excavation, grading and construction of Improvements to and on any portion of the Property owned by Grantor, or to alter the foregoing and its construction plans and designs, or to construct such additional Improvements as Grantor deems advisable in the course of development of the Property so long as any Building Lot in the Property remains unsold. 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 from Grantor to grant, establish and/or reserve on that Building Lot additional licenses, reservations and rights-of-way to Grantor, to utility companies, or to others as may from time to time be reasonable necessary to the proper development and disposal of the Property. Grantor may use any structures owned by Grantor on the Property as model home complexes or real estate sales or leasing offices. Grantor need not seek or obtain Architectural Committee approval of any Improvement constructed or placed by Grantor on any portion of the Property owned by Grantor. The rights of Grantor hereunder may be assigned by Grantor to any successor in interest in connection with Grantor's interest in any portion of the Property, by an express written assignment recorded in the Office of the Ada County Recorder.

4.22 Water Rights Appurtenant to Subdivision Lands: Irrigation System. Upon final platting of each Tract, Grantor shall transfer to the Association from the Property subject to this Declaration, and within the boundaries of an irrigation entity, as defined in said Section 31-3805, Idaho Code, that portion of the water rights appurtenant to the applicable Tract deemed necessary by the Grantor, in Grantor's sole discretion, for the irrigation of the Property within the Tract, including the Banbury Meadows Common Area. Grantor shall develop and transfer to the Association a pressure irrigation system (the "Irrigation System") for the delivery of non-potable (non-drinkable) water to Owners for irrigation of the landscaped areas on their Building Lots and to the Association for irrigation of the Banbury Meadows Common Area. The Association shall own and maintain the Irrigation System pursuant to the Banbury Meadows Pressurized Irrigation System Rules, Regulations and Information Guide. The Irrigation System shall not include any distribution lines or other improvements needed for each Building Lot.

4.23 Pressure Irrigation System Rules, Regulations and Information Guide shall mean the guide containing the rules and regulations of the Pressurized Irrigation System for Banbury Meadows adopted or to be adopted by the Board, as it may be amended from time to time by the Board, and available at the office of the Association.

4.24 Commencement of Construction. Any Owner of a Building Lot shall, within a period of one (1) year following the date of purchase of a Building Lot from Grantor, commence the construction of a dwelling structure in compliance with the restrictions herein, and such construction shall be completed within nine (9) months thereafter. The Architectural Committee may grant a one (1) year extension to commence construction if the Building Lot has been grassed, mowed and maintained. The initial one (1) year term to commence construction and one (1) year extension, if applicable, shall be defined as "construction commencement term." The term "commence the construction" as used in this paragraph 4.24, shall require actual physical construction activities upon such dwelling structure upon such Building Lot. In the event such Owner shall fail or refuse to commence the construction of a dwelling structure within the construction commencement term, Grantor may, at Grantor's option, following the expiration of the construction commencement term, repurchase said Building Lot from such Owner or the then Owner of such Building Lot at a repurchase, price equivalent to the money actually paid to Grantor, less any amount equivalent to ten (10) percent thereof. In the event grantor shall exercise grantor's option to repurchase such building lot, upon tender of said repurchase price, owner or the then owner of such building lot shall make, execute and deliver to grantor or the then owner of such building lot shall make, execute and deliver to grantor a deed reconveying said building lot, free and clear of all liens other than those existing on the date grantor conveyed the building lot to such owner, which deed shall be binding upon all persons who may, at any time hereafter, own or claim any right, title, or interest in such building lot, and the successors in title thereto, whether acquired by voluntary act or through operation of law. The closing shall occur at the office of a title company designated by Grantor, and the Owner shall pay all costs of such closing, including the cost on an extended title insurance policy insuring Grantor's fee simple title to such Building Lot as of the date of closing. Such title insurance policy shall contain no exceptions whatsoever other than those liens, claims and encumbrances which were of record at the time Grantor conveyed the Building Lot to the Owner and those exceptions on the policy jacket of an extended form policy.

ARTICLE V: BANBURY MEADOWS HOMEOWNERS' ASSOCIATION (MASTER)

5.1 Banbury Meadows Homeowners' Association. Banbury Meadows Homeowners' Association, Inc. ("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 Articles, Bylaws and this Master Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration.

5.2 Membership. Each Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Master Association. Membership in the Master Association shall be appurtenant to the Tract, Building Lot or other portion of the Property owned by such Owner. The membership in the Master Association shall not be transferred, pledged, assigned or alienated in anyway except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Master Association.

5.3 Voting. Voting in the Master Association shall be carried out by Members who shall cast the votes attributable to the Building Lots which they own, or attributable to the Building Lots

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

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

5.3.2 Class B Members. The Grantor shall be known as the Class B Member, and shall be entitled to ten (10) votes for each Building Lot of which Grantor is the Owner. The Class B Member shall cease to be a voting Member in the Master Association when the total cumulative votes of the Class A Members equal or exceed the total votes of the Class B Members provided that the Class B membership shall not cease before the expiration of ten (10) years from the date on which the first Building Lot is sold to an Owner.

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

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

5.5 Power and Duties of the Master Association.

5.5.1 Powers. The Master Association shall have all the powers of a corporation organized under the general corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Master Declaration. The Master Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Master Association under Idaho law and under this Master Declaration, and the Articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Master Declaration's other assets, including water rights when and if received from Grantor, and

affairs and the performance of the other responsibilities herein assigned, including without limitation:

5.5.1.1 Assessments. The power to levy Assessments on any Owner or any portion of the Property and to force payment of such Assessments, all in accordance with the provisions of this Master Declaration.

5.5.1.2 Right of Enforcement. The power and authority from time to time in its own name, on its own- behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Master Declaration or the Articles or the Bylaws, including the Association Rules adopted pursuant to this Master Declaration, and to enforce by injunction or otherwise, all provisions hereof.

5.5.1.3 Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any person, firm or corporation to act as manager, and to contract for the maintenance, repair, replacement and operation of the Common Area. Neither the Master Association nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated.

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

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

5.5.1.6 Licenses Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly

maintenance, preservation and enjoyment of the Common Area, 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; and

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.

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, but not limited to, bicycle pathways.

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

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

5.5.2.1 Operation and Maintenance of Banbury Meadows Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Banbury Meadows Common Area (other - than Local Common Area), and Waterways, including the repair and replacement of property damaged or destroyed by casualty loss. All Waterways shall be maintained in accordance with sound hydrological principles, with particular attention to the protection, and husbandry of the wildlife habitat.

Specifically, the Master Association shall, at Grantor's sole discretion, operate and maintain all properties owned by Grantor which are designated by Grantor for temporary or permanent use by Members of the Master Association. Such properties, may include those lands located near the water ways and other lands intended for open space uses and which may be referred to as "non-buildable" lots per the plat.

The Association shall not be required to maintain any sportsmen's, greenbelt, or river easement on the Property which may be dedicated or conveyed for public access or use.

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

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

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

5.5.2.5 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 Banbury Meadows Common Area, and to, manage for the benefit of Banbury Meadows Subdivision all water rights and rights to receive water held by the Master Association, whether such rights are evidenced by license, permit, claim, stock ownership or otherwise.

5.5.2.6 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, including, without limitation the following policies of insurance:

5.5.2.6.1 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 Banbury Meadows Common Area.

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

death, and One Million Dollars (\$1,000,000) per occurrence with respect to property damage.

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

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

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

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

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

5.5.2.8 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.

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

5.5.2.10 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 Master Declaration or of the Articles or Bylaws, including, without limitation, the recordation of any claim of lien with the Ada County Recorder, as more fully provided herein.

5.5.2.11 *[Amended by Fifth Supplement 7/23/2004 and Sixth Supplement 5/12/2005]* Storm Water Maintenance. The Master Association shall maintain the storm water drainage facilities located within the subdivision for the benefit of the Ada County Highway District ("ACHD") in accordance and compliance with applicable requirements of ACHD as set forth in the Operation and Maintenance Manual of Storm Drainage System attached hereto as Exhibit "A" and incorporated by this reference. ACHD shall have the right to inspect such storm water drainage facilities, and if

necessary, promptly perform any required maintenance. The Declarant or the Association, as the case may be, must obtain prior approval from ACHD for any proposed changes to the Operation and Maintenance Manual, the engineering drawings or other previously approved documents regarding the storm water drainage facilities.

Grantor hereby declares that the foregoing amendment is hereby specifically reiterated and applicable to the Sixth Supplement Property annexed to Banbury meadows and subject to the Declaration.

[Added by Second Supplement 7/26/1999]: Pressurized Irrigation System. The Association shall operate and maintain the mainlines and pumping facilities of the pressurized irrigation system. The Association shall have no duty, obligation or responsibility for any portion of the irrigation system located on a lot from the point of connection to the mainline. Each owner of a lot waives any claim against the Association or Grantor for interruption or unavailability of adequate or contaminated water to or through the irrigation system and each owner further agrees that the Association may establish rules and scheduling for utilization of the pressurized irrigation system. Grantor reserves the right in its sole discretion to transfer the pressurized irrigation system to the City of Eagle, United Water, or other public body or utility company subject to such rules, regulations, assessments, conditions, restrictions or reservations that may be imposed at the time of the transfer.

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

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

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

5.7.2 Within thirty (30) days after the close of each fiscal year the Master Association shall cause to be prepared and delivered to Owner, a balance sheet as of the last day of the Master Association's fiscal year and annual operating statements reflecting the income and expenditures of the Master Association for its last fiscal year. Copies of the

balance sheet and operating statement shall be distributed to each Member within ninety (90) days after the end of each fiscal year.

5.8 Meetings of Master Association. Each year the Master Association shall hold at least one meeting of the Members, according to the schedule for such meetings established by the Bylaws; provided, that such meeting shall occur no earlier than February 15 and no later than March 31 each year, Only Members shall be entitled to attend Master Association. Only Members shall be entitled to attend Master Association meetings, and all other persons may be excluded. *[by vote of general membership 5/8/2007]*

Notice for all Master Association meetings, regular or special, shall be given by regular mail to all Members, and any person in possession of a Building Lot, not less than (10) days nor more than thirty (30) days before the meeting and shall set forth the place, date and hour of the meeting and the nature of the business to be conducted. All meetings shall be

held within the Property or as close thereto as practical at a reasonable place selected by the Board. The presence at any meeting in person of the Class B Member where there is such a Member, and of the Class A Members representing Owners holding at least thirty percent (30%) of the total votes of all Class A Members, shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present may adjourn the meeting to a time no less than ten (10) days nor more than thirty (30) days from the time the original meeting was scheduled. A second meeting may be called as the result of such an adjournment, provided notice is given as provided above. At any such meeting properly called, the presence of any Member shall constitute a quorum.

ARTICLE VI: LOCAL ASSOCIATION

6.1 Creation by Grantor. Grantor shall create Local Associations as profit or non-profit corporations under the provisions of the Idaho Code relating to corporations, or Grantor may create such Local Association as any unincorporated entity which Grantor deems appropriate. Grantor may, in its discretion, create a Local Association by means of a Supplemental Declaration, or create such Association by means of separate instruments. No Supplement Declaration or amendment thereto shall have any legal force or effect unless Grantor's written declaration and consent thereto is affixed thereon. *[Added by First Supplement 6/2/1999]*: The First Supplement Property is hereby designated as a "Tract" as provided for in the Master Declaration.

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

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

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

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

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

Fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such an Owner was acting with authority and consent of all other joint Owners of the Building Lot(s) from which the vote derived. The right to vote may not be severed or separated from the ownership of the Building Lot to which 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 new Owner, subject to any assignment of the right to vote to a lessee, mortgagee or beneficiary as provided herein.

6.5 Annual Meetings of Local Association. There shall be an annual meeting of the Members of each Local Association at least ten (10) days but no more than sixty (60) days before every annual meeting of the Master Association. The first annual meeting of the Members in such Local Association shall be held on or before April 5th of the year following the first sale of a Building Lot in the Tract covered by such Local Association. Such meeting shall be held on the Tract which the Local Association covers, or at such other convenient location in or near the Property as may be designated in the notice of such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member of the Local Association, and any person in possession of a Building Lot in the appropriate Tract, no fewer than ten (10) days and no

more than thirty (30) days before the meeting as provided in the Local Association's Bylaws or Articles.

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

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

6.8 Powers and Duties. Each such Local Association shall be managed by a Board of Directors and officers in the same manner as specified in paragraph 5.4 for the Master Association, shall have the same powers and duties with respect to its Members or the property owned, managed or maintained by it, including levying Assessments, adopting rules and regulations, granting easements, licenses and rights-of-way, payment of expenses, taxes, Assessments, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements as are provided in paragraph 5.5 for the Master Association. Each such Local Association may certify to the Master Association the amount of such Assessments and charges for collection. The Board, Member, committee, officers, managers and Grantor shall be free of personal liability as to the Local Association in the same manner as described in paragraph 5.6 for the Master Association.

ARTICLE VII: RIGHTS TO COMMON AREAS

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

7.1.1 The right of an Association holding or controlling such Common Area to levy and increase Assessments;

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

7.1.3 The right of an Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be permitted by the Articles and Bylaws and agreed to by the Members. No dedication or transfer of said Common Area shall be effective unless an instrument agreeing to such dedication or transfer signed by Members representing two-thirds (2/3) of each class of Members has been recorded;

7.1.4 The right of such Association to prohibit the construction of structures or Improvements, Improvements on all Common Areas; and

7.1.5 The right of such Association to prohibit structures, Improvements, including manicured lawns, and nursery plants, and to protect wildlife habitat.

7.2 Designation of Common Area. Grantor shall designate and reserve Banbury Meadows Common Area, and Local Common Area in the Master Declaration, Supplemental Declarations and/or recorded Plats, deeds or other instruments and/or as otherwise provided herein. *[Added by First Supplement 6/2/1999]:* The following Lots are designated as Banbury Meadows Common Area located in the First Supplement Property:

| | |
|----------------|-----------------|
| Lot 1, Block 3 | Lot 1, Block 8 |
| Lot 1, Block 4 | Lot 1, Block 9 |
| Lot 1, Block 5 | Lot 1, Block 10 |
| Lot 1, Block 6 | Lot 1, Block 11 |
| Lot 1, Block 7 | |

These Banbury Meadows Common Areas, including any and all Improvements thereon, shall be owned, operated and maintained by the Master Association pursuant to the Master Declaration and this First Supplement.

[Added by Seventh Supplement 10/4/2005]: Lots 27 and 37 in Block 28, and Lot 58 in Block 43 are designated as Common Area - Landscaped Lots. These Lots are Non-Buildable Lots. These Lots shall be owned and maintained by the Banbury Meadows Homeowners Association. Lots 20 - 37 in Block 28 shall be subject to the authority, control and membership provisions of the Banbury Meadows Homeowners' Association (i.e., the Master Association) as set forth in the Master Declaration and/or the Declaration.

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

7.4 Damages. Each Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, such Owner's resident tenant or contract purchaser, or such Owner's family and guests, both minor and adult. In

the case of joint ownership of a Building Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against the Building Lot and may be collected as provided herein for the collection of other Assessments.

ARTICLE VII: ASSESSMENTS

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

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

8.1.2 Assessment is Personal Obligation. Each such Assessment together with interest costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such property beginning with the time when the Assessment falls due. 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 remains an Owner.

[Added by Fifth Supplement 7/23/2004]: 8.1.3 Assessments Upon Conveyance of Title. An Owner shall be obligated to pay any Assessments provided for in the Declaration upon the conveyance of title to a Building Lot from the Grantor to the Owner.

8.2 Regular Assessments. All Owners, including the Grantor, are obligated to pay Regular Assessments to the treasurer of the Association on a schedule of payments established by the Board.

8.2.1 Purpose of Regular Assessments. The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by an Association, including legal and attorneys fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, protection, maintenance, repair, management and operation of the Common Areas, and an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements of the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (collectively "Expenses").

8.2.2 Computation of Regular Assessments. The Association shall compute the amount of its Expenses on an annual basis. The Board shall compute the amount of Regular Assessments owed beginning the first day of the third month following the month in which the closing of the first sale of a Building Lot occurred in Banbury Meadows Subdivision for the purposes of the Master Association's Regular Assessment, and in the applicable Tract for the purposes of a Local Association's Regular Assessment ("Initiation Date"). Thereafter, the

computation of Regular Assessments shall take place not less than thirty (30) not 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 year.

8.2.3 Amounts Paid by Owners. The Board can require, in its discretion or as provided in the Articles or Bylaws, payment of Regular Assessments in monthly, quarterly, semi-annual or annual installments. *[By vote of the BOD circa 2000 one annual payment is required]*. The Regular Assessment to be paid by any particular Owner, including Grantor, for any given fiscal year shall be computed as follows:

8.2.3.1 As to the Master Association's Regular Assessment, each Owner shall be assessed and shall pay an amount computed by multiplying the 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. *[First Supplement 6/2/1999 added]*: The Master Association shall not assess or levy Regular, Special or Limited Assessments or other charges against any Building Lot on the First Supplement Property until a residential home has been constructed thereon and an occupancy permit has been issued therefore. Any Regular or Special Assessments against any lot on the First Supplement Property shall be no greater in amount than such Assessments against other lots in the Banbury Subdivision of similar size and type. *[Second supplement 7/26/1999 added]*: The initial maximum annual regular assessment to be assessed by the Association shall be \$360 per lot, per year. *[Amended by Fifth Supplement 7/23/2004]*.

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

8.2.3.3 *[Second supplement 7/26/1999 added]*: Exempt Property. The following property subject to this Second Supplement, shall be exempt from assessments created herein:

- (i) All property expressly dedicated to and accepted by local public authority;
- (ii) The common area;
- (iii) All other properties owned by Grantor or the Association; and
- (iv) All lots owned by Grantor, until title is transferred to another.

8.3 Special Assessments. *[Added by Second Supplement 7/26/1999]*: Upon the closing of the first sale of each lot within the Second Supplement Property by Grantor, the purchaser shall pay a one-time special assessment of \$200 per lot.

8.3.1 Purpose and Procedure. In the event that the Board of an Association shall determine that its respective Regular Assessment for a given calendar year is or will be inadequate to meet the Expenses of such Association for any reason, including but not limited

to costs of construction, reconstruction, unexpected repairs or replacement of capital improvements upon the Common Area, attorney's fees and/or, litigation costs, other professional fees, or for any other reason, the Board thereof shall determine the approximate amount necessary to defray such Expenses and levy a Special Assessment against the portions of the Property within its jurisdiction which shall be computed in the same manner as Regular Assessments. No Special Assessment shall be levied which exceeds twenty percent (20%) of the budgeted gross Expenses of such Association for that fiscal year, without the vote or written assent of the Owners representing a majority of the votes of the Members of such Association. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

8.3.2 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.

[Amended by Fourth Supplement 1/25/2002 as follows]:

[Amended by Amendment to the Declaration Exhibit "A" 8/2/2002 as follows]:

8.4 Limited Assessments: The Association may levy Limited Assessments in the following circumstances:

A. Maintenance & Repair: The Association shall have the power to incur expenses for maintenance and repair of any Lot or any improvement on a Lot, if such maintenance and repair is necessary, in the opinion of the Board, to protect the Common Area or any other portion of the Property and if the Owner of said Lot has failed or refused to perform said maintenance or repair after written notice of the necessity thereof has been delivered by the Board to said Owner in accordance with the procedures set forth in Paragraph C below. The Board shall levy a Limited Assessment against the Owner to reimburse the Association for the cost of such maintenance and repair, together with any other cost or expense, including management fees and attorney fees, arising out of or incident to such maintenance and repair or the collection of the Assessment therefore.

B. Correction of Violation: The Association shall have the power to incur expenses for the correction of a violation of this Declaration or the Architectural Review Committee Standards and Guidelines on a Lot if the Owner of said Lot has failed or refused to correct such a violation after written notice of the necessity thereof has been delivered by the Board to said Owner in accordance with the procedures set forth in Paragraph C below. The Board shall levy a Limited Assessment against the Owner to reimburse the Association for the cost of such corrective action, together with any other cost or expense, including management fees and attorney fees, arising out of or incident to such corrective action or the collection of the Assessment therefore.

C. Notice: The Owner of the Lot which is in need of maintenance and repair or corrective action as set forth above, shall be given seven (7) days written notice of the maintenance and repair or corrective action required. The notice shall be delivered personally to such Owner or sent via first class mail or certified mail to the last known address of such Owner shown on the records of the Association.

D. Collection Costs: Each Owner against whom a Limited Assessment is levied agrees to and shall pay all the costs of said corrective action, plus interest on all expended funds, from the date of expenditure at the rate of two percent (2%) per month plus a management fee equal to ten percent (10%) of all the costs expended for the corrective action and all attorneys fees incurred, which such amounts shall be added to and become a part of the Limited Assessment against that Lot, and Owner and shall create a lien enforceable in the same manner as other Assessments set forth in this Declaration. If such an Assessment is not paid within ten (10) days of notice of the Limited Assessment, the Owner shall be subject to late fees and collection procedures set out herein.

8.5 Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments shall be fixed at a uniform rate per Building Lot for all Members of the Association.

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

8.7 Notice and Assessment Due Date. ~~Ten (10)~~ Thirty (30) days prior written notice of Regular and Special Assessments shall be sent to the Owner of every Building Lot subject thereto, and to any person in possession of such Building Lot. The due dates for payment of Regular Assessments or Special Assessments shall be the first day of the month unless some other due date is established by the Board. Each payment of the Regular Assessment or Special Assessment shall become delinquent if not paid within fifteen (15) days after the levy thereof. There shall accrue with each delinquent payment a late charge equal to ten percent (10%) of the delinquent payment. In addition, each payment which is delinquent for more than thirty (30) days shall accrue interest, at eighteen percent (18%) per annum calculated the date of delinquency to and including the date full payment is received by an Association. An Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Building Lot as more fully provided herein. Each Owner is personally liable for Assessments, together with all interest, costs and attorneys' fees, and no Owner may exempt such Owner from such liability by a waiver of the use and enjoyment of the Common Areas, or by lease or abandonment of such Owner's Building Lot. *[by vote of general membership 5/8/2007]*

8.8 Estoppel Certificate. The Association, upon at least twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Building Lot Owner is in default under the provisions of this Master Declaration, and further stating the dates to which any Assessments have been paid by the Owner. Any such certificate delivered pursuant to this paragraph 8.8 may be relied upon by any prospective purchaser or mortgagee of the Owner's Building Lot. Reliance on such Certificate may not extend to any default as to which the signor shall have had no actual knowledge.

8.9 Special Notice and Quorum Requirements. Notwithstanding anything to the contrary contained in either the Bylaws or the Articles, written notice of any meeting called for the purpose of levying a Special Assessment, or for the purpose of obtaining a membership vote in connection with

an increase in the Regular Assessment, shall be sent to all Members of an Association and to any person in possession of a Building Lot in the applicable Tract, 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 IX: ENFORCEMENT OF ASSESSMENTS; LIENS

9.1 Right to Enforce. The Master Association has the right to collect and enforce its Assessments pursuant to the provisions hereof. Each Owner of a Building Lot, upon becoming an Owner of such Building Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this 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, or the Board may exercise the power of foreclosure and sale pursuant to paragraph 9.3 to enforce the liens created hereby. A suit to recover a money judgment for an unpaid Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.

9.2 Assessment Liens.

9.2.1 Creation. There is hereby created a claim of lien with power of sale on each and every Building Lot to secure payment of any and all Assessments levied against such Building Lot pursuant to this 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 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. Such lien shall be prior and superior to all other liens or claims created subsequent to the recordation of the notice of delinquency and claim of lien except for tax liens for real property taxes on any Building Lot and Assessments on any Building Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

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

payment to the Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction of relief of such delinquent sum and charges. The Association may demand and receive the cost of preparing and recording such release before recording the same.

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

9.4 Required Notice. Notwithstanding anything contained in this Master Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of the notice of delinquency and claim of lien, whether judicially, by power of sale or otherwise, until the expiration of thirty (30) days after a copy of such claim of lien has been deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Building Lot(s) described in such notice of delinquency and claim of lien, and to the person in possession of such Building Lot(s), and a copy thereof is recorded by the Association in the Office of the Ada County Recorder.

9.5 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 paragraph 9.6 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.

9.6 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 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 X: INSPECTION OF ASSOCIATIONS BOOKS AND RECORDS

10.1 Member's Right of Inspection. The membership register, book 8 of account and minutes of meetings of the Board and committees of an Association shall be made available for inspection and copying by any Member of the Association or by such Member's duly appointed representatives at any reasonable time and for a purpose reasonably related to such Member's interest as a Member at the office of the Association or at such other place as the Board of such Association shall prescribe. No Member or any other person shall copy the membership register for the purposes of solicitation of or direct mailing to any Member of an Association.

10.2 Rules Regarding Inspection of Books and Records. The Board shall establish reasonable rules with respect to:

10.2.1 Notice to be given to the custodians of the records by persons desiring to make the inspection.

10.2.2 Hours and days of the week when such an inspection may be

10.2.3 Payment of the cost of reproducing copies of document, requested pursuant to this Article X.

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

ARTICLE XI: ARCHITECTURAL COMMITTEE

11.1 Creation. Within thirty (30) days of the date on which the Grantor first conveys a Building Lot to an Owner, Grantor shall appoint three (3) individuals to serve on the Banbury Meadows Architectural Committee ("Architectural Committee"). *[ARC procedure revision as required by HUD and signed by the BOD 10/06 changed ARC committee to 5 individuals, none of whom is a board member.]* Each member shall hold office until such time as such member has resigned or has been removed, or such member's successor has been appointed, as provided herein. A member of the Architectural Committee need not be an Owner. Members of the Architectural Committee may be removed by the person or entity appointing them at any time without cause.

11.2 Grantor's Right of Appointment. At any time, and from time to time, prior to ten (10) years after the recording date of this Master Declaration in which Grantor is the Owner of at least ten percent (10%) of the aggregate Building Lots, Grantor shall have the exclusive right to appoint and remove all members of the Architectural Committee. At all other times, the Master Association Board shall have the right to appoint and remove all members of the Architectural Committee. If a vacancy on the Architectural 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.

11.3 Review of Proposed Construction. The Architectural Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to this Master Declaration, and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Architectural Committee. The Board shall have the power to determine, by rule or other written designation consistent with this Master Declaration, which types of Improvements shall be submitted for Architectural Committee review and approval. The Architectural Committee shall have the power to hire an architect, licensed with the State of Idaho, to assist the Architectural Committee in its review of proposals or plans and specifications submitted to the Architectural Committee. The Architectural Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the habitat of the Common Areas, or appearance of the surrounding area of the

Property as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, and that the upkeep and maintenance thereof will not become a burden on either the Master Association or any Local Association.

11.3.1 Conditions on Approval. The Architectural Committee may condition its approval of proposals or plans and specifications upon such changes therein as it deems appropriate, and/or upon the agreement of the Owner submitting the same ("Applicant") to grant appropriate easements to an Association for the maintenance thereof, and/or upon the agreement of the Applicant to reimburse an Association for the cost of maintenance, and may require submission of additional plans and specifications or other information before approving or disapproving material submitted.

11.3.2 Architectural Committee Rules and Fees. The Architectural Committee also may establish rules and/or guidelines setting forth procedures for and the required content of the applications and plans submitted for approval. Such rules may require a fee to accompany each application for approvals or additional factors which it will take into consideration in reviewing submissions. The Architectural Committee shall determine the amount of such fee in a reasonable manner. Such fees shall be used to defray the costs and expenses of the Architectural Committee, including the cost and expense of hiring an architect licensed by the State of Idaho, as provided above, or for such other purposes as established by the Board and such fee shall be refundable to the extent not expended for the purposes herein stated.

Such rules and guidelines may establish, without limitation, specific rules and regulations regarding design and style elements, landscaping and fences and other structures such as animal enclosures as well as special architectural guidelines applicable to Building Lots located adjacent to public and/or private open space.

11.3.3 Detailed Plans. The Architectural Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, landscape plans, drainage plans, elevation drawings and descriptions or samples of exterior material and colors. Until receipt by the Architectural Committee of any required plans and specifications, the Architectural Committee may postpone review of any plan submitted for approval.

11.3.4 Architectural Committee Decisions. Decisions of the Architectural Committee and the reasons therefore shall be transmitted by the Architectural Committee to the Applicant at the address set forth in the application for approval within ~~twenty (20)~~ thirty-one (31) days after filing all materials required by the Architectural Committee. Any materials submitted pursuant to this Article XI shall be deemed approved only when written notice is received from the committee or its agent.

11.4 Meetings of the Architectural Committee. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural Committee may from time to time by resolution unanimously adopted in writing, designate a Architectural Committee representative (who may, but need not be one of its members) to take any action or perform any duties for and on behalf of the Architectural Committee, except the granting of variances pursuant to paragraph 11.9. In the absence of such designation, the vote of any three (3)

members of the Architectural Committee, or the written consent of any three (3) members of the Architectural Committee taken without a meeting, shall constitute an act of the Architectural Committee. *[makes majority vote of committee consistent with ARC committee procedure as required by HUD 10/06]*

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

11.6 Compensation of Members. The members of the Architectural Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder and except as otherwise agreed by the Board.

11.7 Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

11.7.1 Upon the completion of any work for which approved plans are required under this Article XI, the Owner shall give written notice of completion to the Architectural Committee.

11.7.2 Within sixty (60) days thereafter, the Architectural Committee or its duly authorized representative may inspect such Improvement. If the Architectural Committee finds that such work was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty (60) day period, specifying the particular noncompliance, and shall require the Owner to remedy the same.

11.7.3 If upon the expiration of thirty (30) days from the date of such notification, or any longer time the Architectural Committee determines to be reasonable, the Owner shall have failed to, remedy such noncompliance, the Architectural Committee shall notify the Board in writing of such failure. Upon notice and hearing, as provided in the Bylaws, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of the announcement of the Board, ruling unless the Board specifies a longer time as reasonable. If the Owner does not comply with the Board ruling within such period, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance, and the Owner shall reimburse the Master Association upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Master Association, the Board shall levy a Limited Assessment against such Owner for reimbursement pursuant to this Master Declaration.

11.7.4 If for any reason the Architectural Committee fails to notify the Owner of any noncompliance within sixty (60) days after receipt of the written notice of

completion from the Owner, the work shall be deemed to be in accordance with the approved plan.

11.8 Non-Liability of Architectural Committee Members. Neither the Architectural Committee nor any member thereof, nor its duly authorized Architectural Committee representative, shall be liable to any Association, or to any Owner or Grantee for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Architectural Committee. The Architectural Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and to the Property generally. The Architectural Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of building, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of any plan or design from the standpoint of structural safety or conformance with building or other codes.

11.9 Variances. The Architectural Committee may authorize variances from compliance with any of the architectural provisions of this Master Declaration, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. However no variances will be granted for construction of structures or Improvements, including without limitation manicured lawns, in the Common Areas. Such variances must be evidenced in writing, must be signed by at least ~~two~~ (2) three (3) members of the Architectural Committee, and shall become effective upon recordation in the office of the County Recorder of Ada County. If such variances are granted, no violation of the covenants, conditions or restrictions contained in this Master Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Master Declaration for any purpose except as to the particular Building Lot 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 such Owner's use of the Building Lot, including but not limited to zoning ordinances or requirements imposed by any governmental or municipal authority.

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

ARTICLE XII: ANNEXATION OF ADDITIONAL PROPERTIES

12.1 By Grantor. Grantor intends to develop the property described in Exhibit A and other properties, and may, in Grantor's sole discretion, deem it desirable to annex some or all of such properties to the Property covered by this Declaration. Additional Property ("Tracts") may be annexed to the Property and brought within the provisions of this Declaration as provided herein by Grantor, its successors or assigns, at any time, and from time to time, without the approval of any Owner or the Association. The use and development of such Tracts shall conform to all applicable land use regulations, as such regulations are modified by variances.

12.2 By Association. In addition to the provisions concerning annexations by Grantor specified in Section 12.1 above, Tracts may be annexed to the Property, subject to the same conditions, by the Association upon the exercise by Members of at least two-thirds (2/3) of the votes of the Association.

12.3 Rights and Obligations of Owners of Annexed Tracts. Subject to the provisions hereof, upon the recording of a Supplemental Declaration as to any Tract all provisions contained in this Declaration shall apply to the Tract in the same manner as if it were originally covered by this Declaration, subject to such modifications, changes and deletions as are specifically provided in such Supplemental Declaration, such Tract shall be treated for all purposes part of the Property. The Owners of lots located in the Tracts shall become members of the Association and shall become liable for their appropriate share of Assessments. Title to the Banbury Meadows Common Areas which are to be owned and managed by the Association within said Tracts shall be conveyed to the Association, free and clear of any and all encumbrances and liens, subject to reservations, easements, covenants, conditions and restrictions then of record including those set forth in this Declaration or any Supplemental Declaration applicable to such Tracts.

12.4 Method of Annexation. The addition of a Tract to the Property authorized under Section ~~12.2~~ 12.1 and 12.2 shall be made by filing of record a Supplemental Declaration or other similar instrument with respect to the Tract, which shall be executed by Grantor (or the Association as applicable) and the Owner thereof and which shall annex such property to the Property. Thereupon each Tract shall be a part of the Property, shall be subject to this Declaration and encompassed within the general plan and scheme hereof as modified by such Supplement Declaration, and shall be subject to the functions, powers and jurisdiction of the Association. Such Supplemental Declaration or other appropriate document may contain such additions, modifications or deletions as may be deemed by Grantor or the Owner thereof desirable to reflect the different character, if any, of the Tract, or as Grantor or such Owner may deem appropriate in the development of the Tract. If any Tract is created, the Association shall have the authority to levy Assessments against the Owners located within such Tract, and the Association shall have the duty to maintain additional Banbury Meadows Common Area located within the Tract if so specified in any Supplemental Declaration.

12.5 Deannexation. Grantor may delete all or a portion of the property described on **Exhibit A**, and any annexed Tracts, from the Property and from coverage of this Declaration and the jurisdiction of the Association, so long as Grantor is the owner of all such Property and Tracts and provided that a Supplemental Declaration of Deletion of Property is recorded in the

Office of the Ada County Recorder in the same manner as a Supplemental Declaration of annexation. Members other than Grantor as described above, shall not be entitled to deannex all or any portion of a Tract except on the favorable vote of seventy-five percent (75%) of all members of the Association and approval of Grantor so long as Grantor owns any portion of the Property.

ARTICLE XIII: EASEMENTS

[Added by Seventh Supplement 10/42005]: Easements and Other Matters. All Easements and other matters shall be as described and/or depicted on the Plat for Banbury Meadows Subdivision No. 7.

13.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Building Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Building Lots due to the unwillful placement or setting or shifting of the Improvements including but not limited to structures, walkways, bike paths, sidewalks and driveways constructed, reconstructed or altered thereon in accordance with the terms of this 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 act or acts of an Owner. In the event a structure on any Building Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Building Lot agree that minor encroachments over adjoining Building Lots that existed prior to the encroachment may be reconstructed pursuant to the easement granted by this paragraph 13.1.

13.2 Easements of Access. Grantor expressly reserves for the benefit of all the Property reciprocal easements of access, ingress and egress for all Owners to and from their respective Building Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Building Lots, and Common Areas, resulting from the normal use of adjoining Building Lots or Common Areas, and for necessary maintenance and repair of any Improvement including fencing, retaining walls, lighting facilities, mailboxes and sidewalk abatements, 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.

13.3 Drainage and Utility Easements. Grantor expressly reserves for the benefit of all the Property reciprocal easements for access, ingress and egress for all Owners to and from their respective Building Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Building Lots, and Banbury Meadows Common Areas, resulting from the normal use of adjoining Building Lots or Banbury Meadows Common Areas, and for necessary maintenance and repair of any improvement including fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping. *[Amended by Third Supplement 5/25/2000]* Unless shown otherwise on the Plat, each Lot has a six foot (6') wide easement for utilities and drainage contiguous to each side lot line, and each Lot has a ten foot (10') wide easement for utilities and drainage contiguous to each of the front and rear lot lines. Notwithstanding anything expressly or implied contained herein to the contrary, this 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 the Association the right to grant additional easements and rights-of-way over the Property, 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 to a purchaser.

13.3.1 Improvement of Drainage and Utility Easement Areas. The Owners of Building Lots are hereby restricted and enjoined from constructing any Improvements upon any drainage or utility easement areas as shown on the Plat of Banbury Meadows Subdivision or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for such purpose; provided, however that the Owner of such Building Lots and the Grantor or Master Association shall be entitled to install and maintain landscaping on such easement areas, and also shall be entitled to build and maintain fencing on such easement areas subject to approval by the Master Association Architectural Committee, so long as the same would not interfere with or prevent the easement areas from being used for their intended purposes; provided, 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 whose Improvements were so damaged.

[Added by Third Supplement 5/25/2000]: 13.3.2 Estate Lot Easements Notwithstanding anything contained to the contrary herein, the easements for utility and drainage contiguous to the interior side lot lines within Lots combined for Estate Lots shall be deemed vacated. In the event one or more of the Estate Lots are not combined under common ownership with one residential dwelling unit constructed on the combined Estate Lots, the non-combined Lots shall be graded so that no drainage will cross the property line common with the adjacent Lot, and the Common Lot Line Easements set forth in the Master Declaration shall be deemed reimposed and reinstated.

13.4 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:

13.4.1 Wherever utility house connections are installed within the Property, which connections or any portions thereof lie in 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 therefore, 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.

13.4.2 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 Owners Building Lot.

13.5 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 or maintain such driveway.

13.6 Disputes as to Sharing of Costs. In the event of a dispute between Owners with respect to the repair or rebuilding of utility connections or driveways, or with respect to the sharing of the cost therefore, upon written request of one of such Owners addressed to the Master Association, the matter shall be submitted to the Board 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.

13.7 General Landscape Easement. An easement is hereby reserved to each appropriate Association, its contractors and agents, to enter those portions of Building Lots, for the purpose of installing, maintaining, replacing and restoring exterior landscaping, and natural vegetation and 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.

13.8 Overhang Easement. There shall be an exclusive easement appurtenant to each Building Lot over the Common Areas for overhanging eaves, and for any projections from the buildings, which projections shall not extend beyond the eave line.

13.9 Maintenance and Use Easement Between Walls and Lot Lines. Whenever the wall of a structure, or a fence or retaining wall, constructed on a Building Lot under plans and specifications approved by the Architectural Committee is located within three (3) feet of the lot line of such Building Lot, the Owner of such Building Lot is hereby granted an easement over and on the adjoining Building Lot (not to exceed 3 feet from the Building Lot line) for purposes of maintaining and repairing such wall or fence and eaves or other overhangs, and the Owner of such adjoining Building Lot is hereby granted an easement for landscaping purposes over and on the area lying between the lot line and such structure or fence so long as such use does not cause damage to the structure or fence.

13.10 Pressurized Irrigation System Easements. Grantor hereby reserves for the benefit of the Master Association an easement for the Pressurized Irrigation System, including pipes, pumps and other equipment over, across and under all Building Lots and Common Areas, to the extent reasonably required to maintain the system installed by Grantor on the Property or pursuant to plans and specifications approved by the Architectural Committee. 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 the system 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.

ARTICLE XIV: BANBURY GOLF CLUB,
more particularly described in **Exhibit D**
attached hereto ("BGC")

14.1 Access to BGC. Access to the BGC within or adjacent to the Property is strictly subject to the rules and procedures established by the respective owners or operators of the BGC and/or its Facilities. No Owner or occupant gains any right to enter or to use the BGC or its Facilities solely by virtue of ownership or occupancy of a Building Lot or by reason of their status as a Member. Notwithstanding the foregoing, BGC shall be available to owners subject to regular charges, fees, rules, and regulations of the operators or Members of BGC.

14.2 Easement for Golf Balls. Every Building Lot and Common Area, is burdened with an easement permitting golf balls unintentionally to come upon the Common Area or Building Lot and for golfers at reasonable times and in a reasonable manner to come upon the Common Area or the exterior portions of a Building Lot to retrieve errant golf balls; provided, however, if any Building Lot is fenced or walled, the golfer will seek the Owner's permission before entry. Building Lot owners should undertake all necessary measures to protect their residence, property, guests, family members and invitees from errant golf balls. The acquisition of a Building Lot within the Property acknowledges that the Owners are expressly assuming the risk for any damages occurring by virtue of an errant golf ball by virtue of such Owner's acquisition of a Building Lot adjacent to a Golf Course. The Association agrees to indemnify Grantor against any action by the Owners against Grantor for the damage caused by an errant golf ball.

14.3 Easement in Favor of BGC. The Grantor hereby reserves a perpetual easement in favor of the Grantor and all of its successor and assigns, including the BGC and its owner members, guests, invitees, licensees, employees, or operators and their employees, agents and contractors, over, under and across any Association property for purposes of use, maintenance, ingress, egress, sales and marketing, at no fee or cost whatsoever to the Grantor, its successor or assigns, including the BGC and its Owner Members, guests, invitees, licensees, employees, operators and their employees, agents and contractors. Additionally, said easement shall include, but not be limited to access for the purposes of providing utility service and the construction and maintenance of facilities and/or other improvements necessary for the operation and maintenance of BGC and shall specifically include an easement for ingress, egress, maintenance and construction of Improvements to the extent permitted by law in favor of Grantor, BGC, and their permittees and invitees over and across a strip of land 150' in width adjacent to the common boundary of BGC and the Banbury Meadows Wildlife Habitat and Nature Area.

14.4 Golf Course Easements. The Lots and Common Area immediately adjacent to the BGC are hereby burdened with a non-exclusive easement in favor of the Golf Course for overspray of water from any irrigation system serving the BGC, as well as for any chemicals, fertilizers, insecticides and other substances which may be applied to the BGC but which may impact the Lots and any Common Areas. Under no circumstances shall the Association, Grantor, Owners, operators and their agents, employees or contractors of the BGC, be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

14.5 Drainage Easements. Every Lot and the Common Areas shall be burdened with easements for natural drainage of storm water runoff from other portions of the Property and the

BGC; provided, no person shall alter the natural drainage on any Lot so as to materially increase the drainage of storm water onto adjacent portions of the Property or BGC without the consent of the Owner of the affected property.

14.6 Modifications to Adjacent Golf Course Facilities. The Grantor and its successors and assigns, including BGC and its owners or operators shall retain the right to expand, contract, relocate, or terminate any and all operations and improvements conducted or to be conducted, constructed or to be constructed on the adjacent golf course property without liability to the Association, Members or Owners.

14.7 Golf Course and Clubhouse Facilities.

14.7.1 Disclaimer. ALL PRESENT AND FUTURE OWNERS, OCCUPANTS AND OTHER PERSONS AT ANY TIME PRESENT UPON OR HOLDING ANY INTEREST IN THE PROPERTY OR ANY PORTION OR LOT THEREOF HEREBY ACKNOWLEDGE AND AGREE THAT THEY ARE FULLY AWARE OF THE FACT THAT THE ACQUISITION OF PROPERTY ADJACENT TO OR IN THE VICINITY OF A GOLF COURSE HAS CERTAIN RISKS, INCLUDING THE RISK THAT FROM TIME TO TIME GOLF BALLS FROM THE GOLF COURSE MAY ENTER UPON OTHER PORTIONS OF THE PROPERTY AND DO DAMAGE TO PERSONS AND PROPERTY. ALL SUCH PERSONS ARE HEREBY ADVISED THAT THE GOLF COURSE HAS BEEN DESIGNED WITH LIMITED BUFFERS BETWEEN PLAYING AREAS AND ADJOINING ROADWAYS AND RESIDENTIAL PROPERTIES, AND ALL SUCH PERSONS HEREBY EXPRESSLY ASSUME SUCH RISK AND ACKNOWLEDGE AND AGREE THAT NO CLAIM FOR ANY HARM, DAMAGE OR INJURY OF ANY KIND CAUSED OR OCCASIONED BY GOLF BALLS OR ANY OTHER HAZARD ASSOCIATED WITH THE MAINTENANCE, OPERATION AND USE OF THE GOLF COURSE OR TO ENJOIN THE SAME SHALL BE MADE AGAINST THE GRANTOR, BGC, THE DESIGNERS, THE OWNER OR OPERATOR OF SUCH GOLF COURSE, OR ANY PLAYERS THEREON OR MEMBERS, THEIR INVITED GUESTS OR ANY OTHER OWNER OR OTHER PERSON.

14.7.2 No Warranties. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Grantor or any other Person with regard to the continuing existence, ownership or operation of the Golf Course, if any, and no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment to this Declaration executed or joined into by the Grantor. Further, the ownership and/or operation of the Golf Course, if any, may change at any time and from time to time by virtue of (a) the sale to or assumption of operations of the Golf Course by an independent entity or entities; (b) the creation or conversion of the ownership and operating structure of the Golf Course to a "private" club or similar arrangement whereby the Golf Course or the rights to operate it are transferred to an entity which is owned or controlled by its members; (c) the transfer of ownership or control of the Golf Course to one or more affiliates, shareholders, employees, or independent contractors of the Grantor; (d) the cessation of the use of the Golf Course Facilities as a functioning golf course and its conversion to a different use; and (e) the expansion or construction of the club house facility. No consent of the Association or any Owners shall be required to effectuate such transfer or conversion.

14.7.3 Golf Course. Neither membership in the Association nor ownership or occupancy of a Lot shall confer any ownership interest in or right to use the Golf Course. Rights to use the Golf Course will be granted only to such persons, and on such terms and conditions as may be determined from time to time by the owner or operator of the Golf Course. The owner of the Golf Course shall have the right, from time to time in its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Golf Course, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the provisions of any outstanding membership documents.

14.7.4 Golf Course Layout. Neither the Grantor, the Association nor the owner or operator of the Golf Course guarantees or represents that any view over and across the Golf Course from adjacent Lots will be preserved without impairment. The owner of the Golf Course shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole and absolute discretion, to add trees and other landscaping to the Golf Course from time to time. In addition, the owner of the Golf Course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the tees, bunkers, fairways and greens on the Golf Course from time to time. Any such additions or changes to the Golf Course may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

14.7.5 Approval. In recognition of the fact that the provisions of these paragraphs are for the benefit of the owner of the Golf Course, no amendment to this section, and no amendment in derogation of any rights reserved or granted to the owner of the Golf Course by other provisions of this Declaration may be made without the written approval of the owner of the Golf Course. The foregoing shall not apply, however, to amendments made by the Grantor.

ARTICLE XV: MISCELLANEOUS

15.1 Banbury Meadows Wildlife Habitat and Nature Park. The Banbury Meadows Wildlife Habitat and Nature Park, as shown on the Plat, shall be subject to the inspection, preservation, maintenance, repair, and restoration of the wildlife habitat, structure's and facilities constructed or to be constructed within the Banbury Meadows Wildlife Habitat and Nature Park, by the Association and its Authorized Representatives. Natural riparian vegetation shall be required and all vegetation within the Banbury Meadows Wildlife Habitat and Nature Park shall be compatible with and shall promote wildlife habitat. Except as permitted in Section 14.3, under no circumstances shall structures or Improvements including, without limitation, manicured lawns and nursery plants, be permitted in the Banbury Meadows Wildlife Habitat and Nature Park.

15.1.1 404 Permit. That in order to receive approval to develop the property, Grantor was required to obtain 404 Permit(s). By accepting a deed to any Building Lot, each Owner and the Association agrees to abide by all conditions of the 404 Permit(s), including the maintenance and perpetuation of "wetlands" in their natural state.

15.2 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, 2010, unless amended as herein provided. After December 31, 2010, 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 at three-fourths (3/4) of the voting power of the Master Association and such written instrument is recorded with the Ada County Recorder. Further provided that the Master Association shall not be dissolved without the prior written approval of the City of Eagle, such consent not to be unreasonably withheld provided that a responsible successor organization shall agree to perform those maintenance responsibilities arising from applicable city and county governmental requirements. *[Second supplement added 7/26/1999]*: The covenants, conditions, restrictions and equitable servitudes of this Second Supplement shall run until December 31, 2020, unless amended as herein provided. After December 31, 2020, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten years each, unless amended or extinguished by a written instrument approved by members holding at least 3/4ths of the total voting power of the Master Association, and such instrument is recorded with the Ada County Recorder's office.

15.3 Amendment.

15.3.1 By Grantor. Except as provided in paragraph 15.4 below, until the recordation of the first deed to a Building Lot in the Property, the provisions of this Master Declaration may be amended, modified, clarified, supplemented, added to (collectively, "amendment") or terminated by Grantor by recordation of a written instrument setting forth such amendment or termination. Any amendment affecting only a particular Tract may be made by Grantor by an amendment to this Master Declaration at any time up to the recordation of the first deed to a Building Lot in such Tract. *[First Supplement 6/2/1999 added]*: The First Supplement may be amended, modified or clarified only by a written instrument signed by Starwood, Grantor and the Master Association until such time as an occupancy permit has been issued for all Building Lots in the Supplemental Property and each dwelling unit is occupied. *[Second Supplement 7/26/1999 added]*: Until the recordation of the first deed to a Building Lot in the Second Supplement Property, the provisions of this Second Supplement may be amended, modified, clarified, supplemented, added to (collectively "amendment") or terminated by Grantor by recordation of a written instrument setting forth such amendment or termination.

15.3.2 By Owners. Except where a greater percentage is required by express provision in this Master Declaration, the provisions of this Master Declaration other than this Article XV, any amendment 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 Owners representing more than fifty percent (50%) of the votes in the Master Association, and such amendment shall be effective upon its recordation with the Ada County Recorder. Any amendment to this Article XIII shall require the vote or written consent of Members holding ninety-five percent (95%) of the voting power of the Master Association. *[Second Supplement added 7/26/1999]*: The provisions of the Second Supplement may be amended by an instrument

in writing signed and acknowledged by the Grantor so long as Grantor owns any lots located within the Property, and the President and Secretary of the Master Association, after having first received the approval by vote or written consent of Owners as defined in the Master Association representing more than 50% of the votes in the Master Association, and such amendment shall be effective upon its recordation with the Ada County Recorder.

15.3.3 By Board of Directors. If it is determined that any provision contained in these CC&Rs may violate any local, state or federal law, statute, regulation, or rule the Board of Directors shall have the authority to delete or amend, in its sole discretion, such provision without the consent of any other entitled to vote on such amendment.

15.3.4 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 Owners property which existed prior to the said amendment.

15.4 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 deed of trust 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 deed of such Building Lot shall remain subject to this Master Declaration, as amended.

15.4 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally 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, 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. Such address may be changed from time to time by notice in writing to the Master Association, as provided in this paragraph 15.5.

[Amended by Fourth Supplement 1/23/2002] as follows:

*[Amended by Amendment **Exhibit A** 8/2/2002]as follows:*

15.6 Enforcement and Non-Waiver

15.6.1 Violations and Nuisances: The failure of any Owner of a Building Lot to comply with any provision hereof, or with any provision of the Articles or Bylaws of any Association, is hereby declared a nuisance and will give rise to a cause of action in the Grantor, the Association or any Owner Building Lot(s) within the Property for recovery of damages or for negative or affirmative injunctive relief or both.

15.6.2 Violation of the 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 Declaration and subject to any or all enforcement procedures set forth in this Declaration or any or all enforcement procedures in law and equity.

15.6.3 Authority to Enforce: The provisions of this Master Declaration may be enforced by any of the following persons or entities under the procedure outlined herein:

- A. The Board as to all matters;
- B. The Declarant so long as it has any retained ownership of any of the Property; and
- C. The Owner or Owners of any Lot adversely affected, but only after written demand is made on the Association and its failure to act, except that no such Owner shall have the right to enforce independently of the Association any assessment or lien herein.

15.6.4 Methods of Enforcement: Subject to the provisions of Paragraph 15.6.5 hereof, the following methods of enforcement may be utilized:

- A. Legal or equitable action for damages, injunction, abatement, specific performance, foreclosure, rescission, cancellation or any contracts of an executory nature, or such other remedies at law and equity, which may be available in a court of law.
- B. Eviction for trespass by police action.
- C. The Association through its agents shall have the authority to take appropriate corrective action against the Owner of any Lot pursuant to Section 8.4 above.
- D. Monetary penalties and temporary suspension for Association membership rights and privileges including, without limitation, curtailment of water from the irrigation system. Notwithstanding any provisions to the contrary with respect to Regular and Special Assessments the Board may levy a Limited Assessment against an Owner as a remedy to reimburse the Association for costs incurred in bringing the Owner and/or such Owner's Building Lot into compliance with the provisions of the governing instruments for Banbury Meadows. This shall expressly include, without limitation, the authority to levy an assessment (or assessments) against the Owner who is in violation or any Owner who is in violation of any of the provisions of this Declaration, together with the right to levy a penalty assessment (or assessments) in an amount up to Fifty Dollars (\$50.00) per day for each violation or such other maximum amount as the Board of Directors of the Association may determine from time to time. However, no assessed late charges or penalties shall become liens or become collectible unless:

A member has received at least seven (7) days written notice of the proposed discipline or sanction and a timely opportunity to be heard on the matter. The opportunity to be heard may, at the election of such Member, be oral or in writing.

The notice shall be given personally to such Member or sent by first class or certified mail to the last address of such Member as shown on the records of the Association and shall state the place, date and time of a hearing to be held on the matter, which shall not be less than five (5) days before the effective date of the proposed discipline or sanction. The hearing shall be conducted by the Board or a committee composed of not less than three (3) persons, appointed by the Board, which shall conduct the hearing in good faith and in a fair and reasonable manner and shall not reach a decision regarding appropriate discipline or sanction until the conclusion of the hearing. Any Member challenging the discipline or sanction imposed by the Board, including any claim alleging defective notice, must commence court action within fourteen (14) working days after the date of Notice the contested discipline or sanction imposed by the Board.

E. A monetary penalty imposed by the Association as a compliance measure for failure of a Member to comply with the provisions of this Declaration or as a means of reimbursing the Association for costs incurred by the Association in the repair or damage to the Common Area, or Common Facilities, for which the Member was allegedly responsible, or in bringing the Member and his Lot into compliance with this Declaration, may be treated as a Limited Assessment which may become a lien against the Member's Lot, enforceable by a sale of the interest. This provision does not apply to charges imposed against an Owner consisting of reasonable late payment penalties for delinquent Assessments and for charges to reimburse the Association for the loss of interest and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent Assessments.

15.6.5 Limitations on Enforcement: The Association may not cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his individually owned interest, other than the right to receive water from the irrigation system, on account of the failure of the Owner to comply with provisions of this Master Declaration except by judgment of a court or a decision arising out of arbitration or an account of a forfeiture for failure of the Owner to pay Regular, Special, or Limited Assessments duly levied by the Association.

15.6.6 Fees and Costs: The Association, or any person entitled to enforce any of the terms hereof, by any of the means contained herein, who obtains a judgment or decree from any court or arbitrator enforcing any of the provisions hereof, shall be entitled to reasonable attorneys' fees and all costs incurred or anticipated to be incurred in remedying or abating the offensive condition as a part of his or its judgment or decree against the party in violation thereof. *[Added by the Fifth Supplement 723/2004]*: In the event the Association, an Owner or any person entitled to enforce any of the terms hereof, is required to initiate any action to enforce the provisions of this Declaration it shall be entitled to recover from the Owner against whom enforcement is sought, all attorney fees and costs incurred as a consequence thereof; whether or not any lawsuit is actually filed, and any such attorney fees and costs so incurred by the Association shall be a continuing lien on the Owner's Lot and be added to and become a part of the assessment to which such Owner's Lot is subject.

15.6.7 Failure to Enforce: Neither the Association nor the Architectural Review Committee shall be liable to any person for failure to enforce any of the terms hereof, for personal injury, loss of life, damage to property, economic detriment or for any other loss cause either by their enforcement or non-enforcement. The failure to enforce any of such matters,

including any covenants contained in this Declaration, shall not be deemed a waiver of the right to subsequently do so.

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

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

15.7 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.

15.7.1 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.

15.7.2 Restrictions Severable. Notwithstanding the provisions of the foregoing paragraph 15.7.1, 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. *[First Supplement 6/2/1999 added]*: In the event of a conflict between any provision, or any portion of a provision, of the First Supplement conflicts with any provision, or portion of any provision, of the Master Declaration, the First Supplement shall control. *[Second Supplement 7/26/1999 added]*: In the event of a conflict between any provision, or any portion of any provision, of the Master Declaration, the Second Supplement shall control. Each of the provisions of the Second 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. *[Third Supplement 5/25/2000 added]*: The provision set forth on the Third Supplement shall control and prevail upon any conflicting provisions contained in the Declaration.

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

15.7.4 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.

15.8 Successors and Assigns. All references herein to Grantor, Owners, any Association or person shall be construed to include all successors, assigns; partners and authorized agents of such Grantor, Owners, Association or person. *[First Supplement 6/2/1999 added]*: All references herein to Grantor and Starwood shall be construed to include their successors, assigns, partners and authorized agents.

15.9 Owner's Acknowledgments. By accepting a deed to any Building Lot contained within the Property, each Owner acknowledges the following:

15.9.1 That each Owner understands that non-potable irrigation water will be supplied to the Property by the Pressure Irrigation System which will be owned and maintained by the Association, and that no Owner has any right, title or interest in or to any water or water right(s) which are owned and/or managed by Grantor, the Association or any other entity;

15.9.2 That Owner has read and understands the Banbury Meadows Pressure Irrigation System Rules, Regulations and Information Guide;

15.9.3 That the Property is located next to the Boise River and although each Building Envelope is located outside of the floodway and 100-year floodplain, according to the regulatory agency studies and calculations, the Property may nevertheless be subject to flooding and other hazards; and

15.9.4 That the Owner has made such investigations about and inspections of the Property and the Owner's Building Lot as Owner deems appropriate.

15.10 Grantor's Discretion. Any time this document calls for the exercise of discretion by the Grantor, Grantor shall not be required to act reasonably in the exercise of such discretion.

15.11 Water Rights Reserved. Except for water rights specifically transferred in writing to the Association, Grantor hereby reserves for and to Grantor all water rights and all entitlements to receive water that have been placed to beneficial use upon the Property or are appurtenant to or associated with the Property, including, without limitation, all licenses, permits, claims, permit applications, and storage entitlements; all ditch or canal company shares and/or entitlements to receive water from any such company or from any irrigation district or other water delivery entity; and all ditch rights, easements or rights-of-way associated with any irrigation or other water delivery ditch, canal, lateral or pipeline.

15.12 Written Approval Required. In each instance where the approval of Grantor, the Master Association, the Architectural Committee or any governmental or other authority is required herein, "approval" shall mean the prior written approval of such person or entity.

[The First, Second, Third, Fourth, Fifth and Sixth Supplements add the additional phases of Banbury Meadows Subdivision to the Master Declaration. The Seventh Supplement adds phase seven and sets forth provisions for Patio Homes.]

1. Patio Home Lots. Lots 4 - 57 in Block 43 of the Seventh Supplemental property shall be identified as the Patio Home Lots.

1.1 Patio Home Unit Duplexes. The following Patio Home Lots in this subdivision are designated as Patio Home Unit Duplexes. The following Patio Home Lots which are listed together shall have one Patio Home Unit Duplex built on the two adjacent Patio Home Lots with the common party wall on the boundary line between the two listed Patio Home Lots: Lots 35 and 36 Block 43, Lots 37 and 38 Block 43, Lots 44 and 45 Block 43. Each of the Patio Home Units in a duplex shall be a single family residence. Each individual Unit shall contain at least 1800 square feet. (Eaves, steps, open porches, garages and patios shall not be included in the computation of square footage.)

1.2 Patio Home Zero Lot Line Party Walls. The Patio Home Unit Duplexes constructed upon the Patio Home Lots include party walls, being the common walls between two

dwelling units, separating the units. Such party walls are intended to be constructed upon the Patio Home Lot boundary lines separating adjoining Patio Home Lots. To the extent any party wall exists, encroaches or overlaps upon a Patio Home Lot, 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 dwelling unit, provided that an Owner shall not drive, place or cause to be driven or place any nail, bolt, screw or other object into a party wall which penetrates the surface of such party wall more than one inch. The Owners shall respectively own to the centerline of any party wall. Each Owner on each side of a Patio Home Unit Duplex shall be subject to the following:

1.2.1 General Rules of Law Apply. Each zero line lot line party wall which is built as a part of the construction of any of the Patio Home Unit Duplexes, and which is placed on the boundary line between the Patio Home Lots, shall constitute a party wall, and to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts of omissions shall apply thereto. Except for repairs after a casualty, no Owner shall be allowed to penetrate any party wall.

1.2.2 Sharing of Repair and Maintenance. The cost of reasonable structural repair and maintenance of a party wall shall be shared equally by the Owners who make use of the 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. Each owner shall be solely responsible for maintenance and repairs to the interior surface of the wall in each Owner's own Patio Home Unit, provided, however, that in the event an Owner's interior surface is damaged by the other Owner to the party wall or the other Owner's Occupants, then the other Owner shall be liable for the repairs.

1.2.3 Destruction by Fire, Casualty, Negligent or Willful Acts. If a party wall is destroyed or damaged by fire or other casualty, any Owner who used the wall may restore it, and if the Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. Notwithstanding any other provisions of this Section, an Owner who by negligent or willful act or acts causes a party wall to be damaged shall bear the whole cost of furnishing the necessary repairs to such party wall, and an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of repair to such party wall and the furnishing of the necessary protection against such elements.

1.2.4 Utilities. Any utilities or utility services located within the party walls shall be maintained by each Owner using the utility.

2. Banbury Meadows Patio Homeowners' Association. Grantor hereby creates and shall establish the Banbury Meadows Patio Homeowners' Association ("PHA") which shall be a Local Association as provided for in Article VI of the Master Declaration for the purpose and in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Patio Home Lots, and to enhance the value, desirability and attractiveness of the Patio

Home Lots. Grantor shall establish the PHA as a non-profit corporation under the provisions of the Idaho Code relating to corporations.

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

2.2 Members of PHA. The Members of the PHA shall be all the Owners of Patio Home Lots, including Grantor while it remains an Owner. Memberships may be transferred only as specified in paragraph 5.2 of the Master Declaration for the Master Association.

2.3 Voting in the PHA. The PHA shall have two (2) classes of voting memberships as described below. The number of votes each Member may cast on a single vote will be determined according to the number of Patio Home Lots existing on that portion of the Property the Member owns in the same manner and amounts as votes are allocated to Members in paragraph 5.3 of the Master Declaration. When more than one person holds an interest in any Patio Home Lot, all such persons shall be Members but shall share the vote attributable to the Patio Home Lot.

2.3.1 Class A Members. Class A Members shall be all Owners, except Grantor, owning Patio Home Lots covered by the PHA. The Grantor shall become a Class A Member when the Class B membership ceases, as described in paragraph 2.3.2, with Grantor remaining an Owner. Each Class A Member shall have one (1) vote for each Patio Home Lot such Owner owns.

2.3.2 Class B Member. The Class B Member shall be the Grantor. The Class B Member is entitled to ten (10) votes for each Patio Home Lot which Grantor owns. The Class B membership in the PHA shall cease when the total cumulative votes of the Class A Members equal or exceed the total votes of the Class B Member provided that the Class B membership shall not cease before the expiration of ten (10) years from the date on which the first Patio Home Lot covered by the PHA is sold to an Owner.

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

2.4 Annual Meetings of PHA. There shall be an annual meeting of the Members of the PHA at least ten (10) days but no more than sixty (60) days before every annual meeting of the Master Association. The first annual meeting of the Members in the PHA shall be held on or before April 5th of the year following the first sale of a Patio Home Lot covered by the PHA. Such meeting shall be held on the portion of the Property which the PHA covers, or at such other convenient location in or near the Property as may be designated in the notice of such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member of the PHA, and any person in possession of a Patio Home Lot, no fewer than ten (10) days and no more than thirty (30) days before the meeting as provided in the PHA's Bylaws or Articles.

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

2.6 Quorum and Officers of Meetings. The presence at any regular or special meeting, in person or by written proxy, of the Members entitled to vote at least twenty-five percent (25 %) of the total votes within the PHA constitutes a quorum. If any meeting cannot be held because a quorum is not present, the Owners or Members present, either in person or by proxy, may adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was scheduled. At such second meeting a quorum shall constitute the number of members specified in the PHA's Articles or Bylaws. The Members present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.

2.7 Powers and Duties. The PHA shall be managed by a Board of Directors and officers in the same manner as specified in paragraph 5.4 of the Master Declaration for the Master Association, shall have the same powers and duties with respect to its Members or the property owned, managed or maintained by it, including levying Assessments, adopting rules and regulations, granting easements, licenses and rights-of-way, payment of expenses, taxes, Assessments, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements as are provided in paragraph 5.5 of the Master Declaration for the Master Association. The PHA shall certify to the Master Association the amount of such Assessments and charges for collection. The Board, Member, committee, officers, managers and Grantor shall be free of personal liability as to the PHA in the same manner as described in paragraph 5.6 of the Master Declaration for the Master Association. In addition to duties necessary and proper to carry out the power delegated to the PHA by the Declaration, and the Articles and Bylaws, without limiting the generality thereof, the PHA or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the PHA and to perform, without limitation, each of the following duties:

2.7.1 Operation and Maintenance of Common Area. The PHA shall operate, maintain, and otherwise provide for the operation, maintenance and management of the Common Area. The PHA shall maintain any and all berms, swales, lawns, irrigation systems, retaining walls, fences, pathways and other facilities and amenities within and abutting the Common Area.

2.7.2 Maintenance of Patio Home Lots and Exteriors. The PHA shall maintain or provide for the maintenance of the exteriors, including the roofs, of all residences and fences constructed on Patio Home Lots which shall be a common expense of the PHA, excluding, however, exterior doors and windows which shall be the Owners' responsibility subject to approval of the Architectural Committee, and further excluding loss or damage to the exterior of the residence caused by fire or other insured casualty. The PHA shall be responsible for the maintenance of all lawns and irrigation systems on the Patio Home Lots. The PHA shall maintain the drainage swale to be constructed along the lot line common to Lots 8 and 9, 14 and 15 and 40 and 41, Block 43.

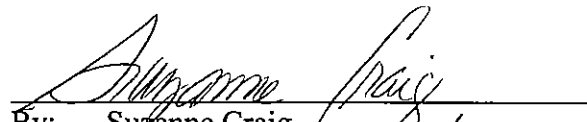
2.7.3 Taxes and Assessments. The PHA shall pay all real and personal property taxes and Assessments separately levied against the Common Area or against the PHA and/or any other property owned by the PHA. Such taxes and Assessments may be contested or compromised by the PHA, provided, however, that such 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 PHA shall pay all other federal, state or local taxes, including income or corporate taxes levied against the PHA, in the event that the PHA is denied the status of a tax exempt corporation.

2.7.4 Water and other Utilities. The PHA shall 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 manage for the benefit of the PHA all water rights, and rights to receive water held by the PHA, whether such rights are evidenced by license, permit, claim, stock ownership or otherwise.

2.8 Patio Home Lot Assessments. In addition to being subject to all other assessments provided for in the Master Declaration, the Patio Home Lots shall be subject to such additional assessments as may be determined and levied by the Master Association and/or the PHA for common area maintenance and landscaping in and about the Patio Home Lots.

DATED this 25 day of January, 2008

Banbury Meadows Subdivision

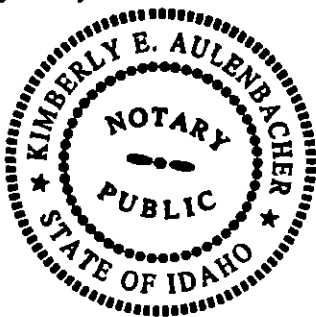

By: Suzanne Craig
Its: HOA President


SEE NOTARY NEXT PAGE

STATE OF IDAHO)
)ss.
County of Ada)

On this 25th day of January, 2008, before me, the undersigned notary public in and for the State of Idaho, personally appeared Suzanne Craig, known or represented to me to be the authorized representative for Banbury Meadows Subdivision, who being first duly sworn upon oath, declared that he has read the within and foregoing Restated Master Declaration of Covenants, Conditions and Restrictions, knows the contents thereof, and the facts therein stated are true, and acknowledged to me that he executed the within and foregoing.

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





Notary Public for the State of Idaho
Residing in Star, ID
My commission expires: 6-22-2012