

ARTICLES OF INCORPORATION

OF

EAGLE GLEN HOMEOWNERS ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, citizens of the United States and of lawful age, voluntarily do associate ourselves for the purpose of forming a non-profit corporation under the provisions of Idaho Code Section 30-117A, and all other laws of the State of Idaho pertaining thereto, and we hereby certify as follows:

ARTICLE I

The name of this Corporation shall be EAGLE GLEN HOMEOWNERS ASSOCIATION, INC.

ARTICLE II

The registered office of this Corporation shall be located at Eagle, Idaho.

ARTICLE III

The Corporation is organized not for pecuniary gain or profit but for the specific purpose to provide for the maintenance, preservation and architectural control of the residential lots and dwelling thereon and the ownership, maintenance, preservation and control of the common area and domestic water system within that certain tract of land located in Ada County, Idaho, more particularly described as follows:

Eagle Glen Town Houses, Ada County, Idaho

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Corporation, and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Office of County Recorder of Ada County, Idaho, and as the same may be amended from time to time as therein provided, said Declaration being attached to these Articles, marked "Exhibit A" and incorporated herein as if set out in full;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of

except from federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE V

This Corporation shall have perpetual existence.

ARTICLE VI

The total authorized number of shares of capital stock of the Corporation shall be seventy-two (72) shares, all of which shall be no-par value. One (1) share of stock of the Corporation shall be issued to the purchaser(s) of the lots within the real property described in Article III of these Articles of Incorporation on the basis of one (1) share of stock of the Corporation for each of the lots so purchased. In the event a lot is purchased by more than one person, title to the share of stock of the Corporation issued shall be entered on the records of the Corporation in the same manner as title to the lot is entered on the records of Ada County, Idaho. The owner or owners of each share of stock in the Corporation shall be entitled to one (1) vote for each such share owned, regardless of the number of persons owning that share. Transferees of shares of stock in the Corporation shall be entitled to vote and to share in the property of the association with the old members in accordance with such general rule or rules.

ARTICLE VII

The number of Directors of the Corporation shall not be less than three (3) nor more than nine (9), who need not be a shareholder of the Corporation, and the number, qualifications, and terms of office, manner of election, time and place of calling meetings, and powers and duties of the Directors, shall be prescribed in the By-Laws of the Corporation. The Board of Directors shall have the power to conduct all of the affairs of this Corporation.

ARTICLE VIII

The officers of this Corporation shall be a President, Vice President, Secretary and Treasurer, and such other officers as the Board of Directors shall deem necessary. Any of the officers mentioned herein may, as permitted by law, be combined in one person. Each of the officers shall have such powers as are conferred by the By-Laws of the Corporation.

ARTICLE IX

An annual meeting of the membership of the Corporation shall be held upon a date provided for in the By-Laws of the Corporation.

ARTICLE X

The Association may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of

the shareholders of the Corporation. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI

These Articles of Incorporation may be amended by a three-fourths (3/4) majority vote of the shareholders of the Corporation eligible to vote who are present at any regularly called meeting of the Corporation, provided that the substance of the proposed amendment has been submitted with one of the notices for the meeting.

The By-Laws of the Corporation adopted by a majority vote of the shareholders of the Corporation voting at the meeting called therefor may be repealed or amended and new By-Laws may be adopted upon a majority vote of the Board of Directors. This power vested in the Board of Directors may be revoked by a three-fourths (3/4) majority vote of the shareholders of the Corporation qualified to vote at any annual meeting, and said power may be revested in the Board of Directors only upon the approval of a three-fourths (3/4) majority at any subsequent meeting of the shareholders duly and regularly called.

ARTICLE XII

So long as there exist any mortgage or deed of trust, not subordinate to any other mortgage or deed of trust, constituting a lien (encumbrance) against all or any portion of the real property described in Article III of these Articles of Incorporation, the holder(s) of such mortgage(s) or deed (s) of trust shall be provided thirty (30) days written notice of the following before such become effective: (1) any change or amendments in or to these Articles of Incorporation, the By-Laws of the Corporation, the Declaration of Covenants, Conditions and Restrictions relating to the real property described in Article III of these Articles of Incorporation, or a Voting Trust Agreement relating to the Corporation; (2) any change of manager (not including change in employees of corporate manager) of the real property described in Article III of these Articles of Incorporation; and (3) any default by an owner of any lots contained in the real property described in Article III of these Articles of Incorporation of any obligation imposed by

the Declaration of Covenants, Conditions and Restrictions covering said real property.

ARTICLE XIII

The names and post office addresses of the incorporators of the Corporation and the number of shares subscribed for by each are as follows:

<u>Name</u>	<u>Post Office Address</u>	<u>No. of Shares</u>
Clarence D. Suiter	P. O. Box 7943, Boise, Idaho	One
Howard C. Goul	P. O. Box 7943, Boise, Idaho	One
Jo N. Goul	P. O. Box 7943, Boise, Idaho	One

ARTICLE XIV

Any contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any firm of which one or more of its Directors are members or employees, or in which they are interested, or between the Corporation and any corporation or association of which one or more of its directors are shareholders, members, directors, officers or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such director or directors at the meeting of the Board of Directors of the Corporation, which acts upon, or in reference to, such contract or transactions, and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the Directors present, such interested Director or Directors to be counted in determining whether a quorum is present, and in calculating the majority necessary to carry such vote. This section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

ARTICLE XV

The Owners of all or any portion of the shares of stock of the Corporation shall have the right from time to time at their discretion to create and form a voting trust as provided under the statutes of the State of Idaho.

IN WITNESS WHEREOF, the parties have hereunto set their hands and caused these Articles of Incorporation to be executed in triplicate this _____ day of _____, 1974.

James D. Smith
Howard C. Gaul
Jo N. Gaul

STATE OF IDAHO)
) ss.
COUNTY OF ADA.)

On this 24th day of July, 1974, before me, the undersigned, a Notary Public in and for said State, personally appeared Charlene Dehnter, Howard C. Gaul and Jo N. Gaul, husband and wife,

known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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

Debra J. Pennington
Notary Public for the State of Idaho
Residing at Boise, Idaho

880769

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR EAGLE GLEN TOWNHOUSES

Date: April 8, 1974

Idaho Title Co.
300 North 6th St
Boise, Idaho

Recorded: 4:04 P.M.

Instrument No: 880769

THIS DECLARATION, made on the date hereinafter set forth by Clarence D. Suiter and Nancy L. Suiter, Contract Sellers and Howard C. Goul and Josephine N. Goul, Contract Buyers, hereinafter referred to collectively as "Declarants".

WITNESSETH:

WHEREAS, Declarants are the owners of certain property in Eagle, County of Ada, State of Idaho, which is more particularly described as Eagle Glen Townhouses, according to the official plat thereof filed in Book 33 of Plats at Pages 1997 & 1998, records of Ada County, Idaho. Instr. No. 880768

NOW, THEREFORE, Declarants hereby declare that all of the properties described above shall be held, sold and conveyed subject to the covenants, conditions, restrictions and easements herein contained which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Corporation" shall mean and refer to EAGLE GLEN HOME-OWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Corporation.

Section 4. "Common Area" shall mean all real property owned by the Owners for the common use and enjoyment of all the Owners. The Common Area shall be owned by the Owners in undivided 1/72 interests. The Common Area shall consist of all of the property hereinabove described exclusive of the Lots.

Section 5. "Lot" and "Dwelling Unit" are synonymous and as used herein have the same meaning and shall mean and refer to any plot of land (together with the improvements constructed thereon shown upon the recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarants" shall mean and refer to Clarence D. Suiter, Nancy I. Suiter, Josephine N. Goul and Howard C. Goul, their successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarants for the purpose of development.

Section 7. "Mortgagee" shall mean and refer to the holder of a mortgage or deed of trust, not subordinate to any other mortgage or deed of trust, encumbering all or any singular Lot within the real property described above or all or any portion of the Common Area.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Corporation to charge reasonable admission and other fees for the use of any recreational or storage facility situated upon the Common Area;

(b) the right of the Corporation to suspend the right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 50 days for any infraction of its published rules and regulations;

(c) the right of the Corporation 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 agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument signed by three fourths (3/4) of the Owners agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment and use to the Common Area and facilities to the members of his family, his tenants, or contract purchasers, who reside on the Lot to which the Owner has title.

Section 3. Partition and/or Subdivision. No Lot, including the improvements thereon, or all or any portion of the Common Area, shall ever be partitioned or subdivided and any attempt to so partition or subdivide, whether voluntary or involuntary, shall be void and of no force or effect, except that portions of the common area may be dedicated in accordance with Section 1 (c) above.

ARTICLE III

USE AND REGULATION OF USES

Section 1. Use. (a) The buildings and dwelling units shall be used for single family residential purposes only, on an ownership, rental or lease basis; and for the common social, recreational or other reasonable uses normally incident to such uses, and also for such additional uses or purposes as are from time to time determined appropriate by the Board of Directors of the Corporation. Dwelling units of the buildings may be used for the purposes of operating the Corporation and for the management of the Corporation if required. The provisions of this Section shall not preclude use by Declarants for any purposes permitted under this Section, and Declarants may conduct sales activities for all dwelling units in units owned by Declarants.

(b) Parking spaces are restricted to use for parking of operative motor vehicles. Inoperative motor vehicles, and other items and equipment, shall be parked only in those areas designated by the Board. The Board may require removal of any inoperative vehicle, or any unsightly vehicle, and any other equipment or item improperly stored. If the same is not removed the Board may cause removal at the risk and expense of the Owner thereof. Any other unsightly item or equipment may be similarly removed.

(c) Common drives and walks shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board.

(d) Nothing shall be done or kept in any dwelling unit or in the Common Area which will increase the rate of insurance on the Common Area or dwelling units without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his dwelling unit or in the Common Areas which will result in the cancellation of insurance on any dwelling unit or any part of the Common Areas, or which would be in violation of any laws.

(e) No waste will be committed in the Common Area or any dwelling unit.

(f) No sign of any kind shall be displayed to the public view on or from any dwelling unit or the Common Area without the prior consent of the Board. Owners may advertise a dwelling unit for rent or for sale by display of a neat, reasonably sized vacancy sign or "for sale" sign from the dwelling unit. The Board of Directors may regulate this practice by its rules and may, in its discretion, maintain such a sign for use of the Owners as needed.

(g) No animals (which term includes livestock, domestic animals, poultry, reptiles and any other living creature of any kind) shall be raised, bred, or kept in any dwelling unit or in the Common Area, whether as pets or otherwise, except subject to rules and regulations adopted by the Board, or By-Laws adopted by the Corporation. The Board may at any time require the removal of any animal which it finds is disturbing other Owners unreasonably, in the Board's determination, and may exercise this authority for specific animals even though other animals are permitted to remain.

(h) No noxious or offensive activity shall be carried on in any dwelling unit or Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners.

(i) Nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Board, and after procedures required herein, or by law.

(j) No Owner shall install or place any item on the exterior of his dwelling unit or on any building without the consent of the Board.

(k) By majority vote of the Board of Directors of the Corporation, or the Corporation shareholders, they are empowered to pass, amend and revoke detailed administrative rules and regulations, "House Rules," or rules of conduct necessary or convenient, from time to time, to insure compliance with the general guidelines of this section.

Section 2. Maintenance. (a) Each Owner shall, at his sole expense, keep the interior of his dwelling unit and its equipment, appliances, and appurtenances in good order, condition and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of his dwelling unit. Each Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, fans, heating and air conditioning equipment, electrical fixtures or appliances, which may be in or connected with his dwelling unit.

(b) In order to preserve a uniform exterior appearance to the buildings, the Board shall provide for the exterior painting of the buildings, and shall prescribe the type and color of paint, and may prohibit, require, or regulate any modification or decoration thereof undertaken or proposed by any Owners. This power of the Board extends to screens, doors, awnings, railings, or other exterior visible portions of each dwelling unit and all of the buildings.

Section 3. Entry for Repairs. The Board and its agents or employees, may enter any dwelling unit when necessary in connection with any maintenance,

landscaping or construction for which the Board is responsible, or in the event of emergencies. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board out of the common expense fund, if the entry was due to an emergency, unless the emergency was caused by the Owner of the dwelling unit entered, in which case the cost shall be specially assessed to the unit entered. If the repairs or maintenance were necessitated by or for the dwelling unit entered, or requested by its Owners, the costs thereof shall be specially assessed to such dwelling unit.

ARTICLE IV

EASEMENTS

Section 1. Road and Utility Easements. There is hereby granted and reserved for the use and benefit of the Declarant, and for the use and benefit of each Lot, and for the use and benefit of each Owner so long as such person is an "Owner" as defined in this Declaration, the following easements which shall be appurtenant to and inseparable from each Lot:

(a) An easement over, across, within and through the Properties, Thirty-seven (37') feet and, thirty (30') feet in width as described and located on the recorded Subdivision Plat Map for Eagle Glen Townhouses, filed in conjunction herewith. Said easement shall be for the purposes of access, ingress, egress and the installation and maintenance of utility lines of all varieties to serve the Properties and the dwelling units and Common Area improvements located thereon or which may hereafter be constructed. In addition, it is recognized that not all utility lines and facilities may be located within the described roadway; therefore, there is granted and reserved for the purpose of installation and maintenance of all utility lines and facilities of all varieties serving any improvement or structure on the Properties, easements of reasonable size, extent and location as necessary and the right to tie into the same for the use and convenience of any such improvement or structure.

(b) An easement is also provided for use of road and parking easement areas by public and emergency vehicles, such as but not limited to fire, police, and ambulance, street maintenance, and snow removal vehicles.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a stockholder of the Corporation. Stock ownership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Corporation shall have one class of voting stock, which shall be owned by the Owners of the Lots on the basis of one (1) share of stock for each Lot owned. Each share of stock shall entitle the Owner thereof to one (1) vote for each share of stock owned. When more than one person holds an interest in any Lot, all such persons shall be stockholders. The vote for such share of stock shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any share of stock.

Section 3. Until such time as one hundred per cent (100%) of the total number of Lots are sold by the Declarants or their successors or assigns, or for a period of five (5) years following the date the first Lot is conveyed to an Owner, whichever first occurs, the Declarants shall retain the right to appoint the members of the Board of Directors of the Corporation.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot covenants and agrees, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed to pay to the Corporation: (1) annual assessments or charges, and (2) special assessments for capital improvements (except as provided in Sec. 5(b), such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment became due and payable. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Declarants Not Liable For Assessments. Declarants as Owner of any dwelling unit shall not be liable for any annual or special assessment unless such dwelling unit is leased or rented by the Declarants.

Section 3. Purpose of Assessments. The assessments levied by the Corporation shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and residents of the Properties and for the improvement and maintenance of the Common Area, and for the purposes specified in Section 5 of this Article.

Section 4. Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Two Hundred Forty Dollars (\$240.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the amount of the annual assessment shall be established by the Board as hereafter provided.

(b) Within thirty (30) days prior to the beginning of each calendar year the Board shall estimate the net charges to be paid during such year, and may include a reasonable provision for contingencies and replacement and acquisition and operating reserves, less any expected income and any surplus available from the prior year's operating fund; provided, that the Declarants or initial Board may at any suitable time establish the first such estimate. A uniform pro-rated share of the existing sold dwelling units of said estimated requirement or budget shall be assessed to each dwelling unit and the Owner or Owners thereof. If the sum estimated and budgeted at any time proves inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time levy a further assessment, which shall be assessed to the Owners in like proportions. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to such person or agent as may be designated by the Board in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board shall designate, and any unpaid assessments shall bear interest as hereafter provided. The proposed budget shall be referred to the annual meeting of the shareholders, with the notice of such meeting, or may be sent out earlier, and unless special action is taken to change it, shall be deemed approved by the Owners. Subsequent changes necessary during any year may be approved by the Board.

(c) All funds collected hereunder shall be expended for the purposes designated in this Declaration, By-Laws, or according to law.

(d) The Board shall require that the Corporation maintain separate accounts for current operations, reserves, and a special separate reserve account for payment of insurance. Each month the Board shall first deposit to the insurance reserve account that portion of the common expenses assessment necessary to pay at least one-twelfth of the total cost of all of the insurance policies provided regarding the Properties and such insurance reserve account shall be held separately and inviolate until utilized for payment of insurance premiums. Thereafter the remainder of the common expenses collected may be utilized for payment of other expenses or deposited or credited to other accounts.

(e) The omission by the Board to fix the estimate and assessments hereunder for any year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

(f) The Board shall cause to be kept detailed accurate records in the form established by the Corporation's accountant, of the receipts and expenditures of the Corporation, specifying and itemizing the maintenance and repair expenses of the Common Area and any other expense incurred. Such records and any resolutions authorizing the payments involved shall be available for examination by any Owner at convenient hours of week days.

Section 5. Special Assessments for Capital Improvements.

(a) In addition to the annual assessments authorized above, the Corporation may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any contribution, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the approval thereof by three-fourths (3/4) of the shares of stock of the Corporation voted at a meeting duly called for this purpose.

(b) In spite of anything in this Declaration to the contrary a record owner may, by timely written notice to the corporation, exempt himself from sharing in the cost of any specified capital improvement with the understanding that such an exemption excludes him from use of the facility created by the capital improvement assessment.

Section 6. Authority of Board. The Board for the benefit of the Corporation and the Owners shall enforce the provisions of this Declaration and of the By-Laws, shall have all powers and authority permitted to the Board under the By-Laws and this Declaration, and shall acquire and shall pay for out of the common expense fund hereinafter provided for, all goods and services requisite for the proper functioning of the Corporation and the Properties, including but not limited to the following:

(a) Water, sewer, garbage, collection, electrical, and any other utility service as required for the Common Area. If one or more dwelling units or the Common Areas are not separately metered the utility service may be paid as a common expense, and the Board may by reasonable formula allocate a portion of such expense to each such dwelling unit involved as a portion of its common expense. The Board may arrange for special metering of utilities as appropriate.

(b) Policies of insurance providing coverage for fire and other hazard, public liability and property damage, and fidelity bonding as the same are more fully described in the By-Laws or this Declaration. Each Owner shall be responsible for his own insurance on the contents of his dwelling unit, his additions and improvements to his dwelling unit, and decorating and furnishings, and his personal property stored elsewhere on the property, and his personal liability or injury, to the extent not covered by the Corporation for all Owners in common Corporation policies.

(c) The services of persons or firms as required to properly manage the affairs of the Corporation to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Area.

(d) Legal and accounting services necessary or proper in the operation of the Corporation affairs, administration of the Common Area, or the enforcement of this Declaration.

(e) Painting, maintenance, repair and all landscaping and gardening work for the Common Area, and such furnishings and equipment for the Common Area as the Board shall determine are necessary and proper for the Common Area, provided that the interior of each dwelling unit shall be maintained and repaired by the Owners thereof, as previously provided in this Declaration.

(f) Exterior maintenance upon each dwelling unit which is subject to assessment as follows: Paint, repair, replace and care for roofs, gutters, downspouts, and exterior building surfaces except glass surfaces. In the event that the need for such exterior maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become part of the assessment to which such dwelling unit (Lot) is subject.

(g) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure by law, or which in its opinion shall be necessary or proper for the operation of the Common Area, or for the enforcement of this Declaration; provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular dwelling units, or their Owners, the cost thereof shall be specially assessed to the Owner of such dwelling units.

(h) Maintenance and repair of any dwelling unit, its appurtenances and appliances, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Area or preserve the appearance and value of the Properties, and the Owner or Owners of said dwelling unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to the Owner or Owners, provided that the Board shall levy a special assessment against the dwelling unit of such Owner or Owners for the cost of such maintenance or repair.

(i) The Board may also pay any amount necessary to discharge any lien or encumbrance levied against the Properties or any part thereof, which is claimed to or may, in the opinion of the Board, constitute a lien against the property or against the Common Areas, rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs and expenses incurred by the Board by reason of such lien or liens shall be assessed against the Owners and the dwelling units (Lots) responsible to the extent of their responsibility.

(j) The Board shall not make any non-budgeted expenditure in excess of \$5,000.00 without the written consent of 75% of the Owners, or a vote of the Owners at a special meeting, except for emergency threatening the security of any improvement on the Properties.

Section 7. Notice and Quorum For Any Action Authorized Under Sections 4, 5 and 6. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4, 5 or 6 shall be sent to all stockholders not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of stockholders or of proxies or of trustees entitled to vote sixty per cent (60%) of all the stock of the Corporation shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 8. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots subject to assessment and may be collected on a monthly basis.

Section 9. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of said Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Corporation shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors of the Corporation. The Corporation shall, upon demand of an Owner, and for a reasonable charge, furnish such Owner a certificate signed by an officer of the Corporation setting forth whether the assessments on a specified Lot have been paid.

Section 10. Effect of Non-payment of Assessments: Remedies of the Corporation. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest legal rate of interest allowed by law per annum. The Corporation may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. Any action to foreclose said lien as herein provided shall be brought in accordance with the applicable statutes of the State of Idaho relating to and regulating the foreclosure of liens against real property. No Owner may waive or otherwise be relieved of liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. In the event of a delinquency in the payment of an assessment an appropriate notice thereon shall be filed for record in the office of the Ada County Recorder, provided, however, that the failure to file said notice shall in no way prejudice the right(s) of the Corporation as provided herein.

Section 11. Security Deposit. An Owner may be required, by the Board, from time to time, to make and maintain a security deposit not in excess of three months estimated monthly assessments, which may be collected as are other assessments. Such deposit shall be held in a separate fund, credited to such Owner, and resort may be had thereto at any time when such Owner is the (10) days or more delinquent in paying his monthly or other assessments.

Section 12. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust encumbering the Lot assessed. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a foreclosure of any prior lien or encumbrance or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the dwelling units upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other 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.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by this negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VIII

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Corporation, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. This Article shall not affect or in anywise be applicable to the Declarants.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Enforcement. The Corporation, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Corporation or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety per cent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five per cent (75%) of the Lot Owners. Any amendment must be recorded in the office of the Ada County Recorder.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the approval thereof by three-fourths (3/4) of the shares of stock of the Corporation voted at a meeting called for such purpose.

Section 5. Notice to Mortgagee. The Corporation shall, by notice in writing thirty (30) days prior to the effective date thereof, advise the Mortgagee of (a) any changes or amendments in the Declaration of Covenants, Conditions, Restrictions and Easements, the Articles of Incorporation, the By-Laws relating to Eagle Glen Homeowners Association, Inc., and the project known as "Eagle Glen Townhouses"; and (b) any change of a manager (not including a change in employees of the Corporation) in the event the affairs of the Corporation are managed by a person or persons other than its officers and Board of Directors. Further, the Corporation shall, by notice in writing, advise the Mortgagee of any default by an Owner of any obligation imposed by this Declaration which default has not been cured within thirty (30) days and for which default the Corporation intends to take any affirmative action provided herein.

Section 6. Non-Waiver. The failure of the Board in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of the By-Laws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of any assessment from an Owner, with knowledge of any such breach, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed for the Board. This section also extends to the Declarants exercising the powers of the Board during the initial period of operation of the Corporation.

Section 7. Limitation of Liability. The Board shall not be liable for any failure of any utility or other service to be obtained and paid for by the Board of Directors or for injury or damage to person or property caused by the elements, or by another dwelling unit Owner or person; or resulting from electricity, water, rain, dust or sand which may lead or flow from outside or from any parts of the buildings, or from any pipes, drains, conduits, appliances, or equipment, or from any other place; or resulting from loss, damage, or theft of articles used or stored by Owners on the Properties or in dwelling units. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the Common Areas, or from any action taken to comply with any law, ordinance, or order of a governmental authority. This section shall not be interpreted to impose any form of liability by any implication upon the Board or the Corporation. This section also extends to the protection of the Declarants exercising the powers of the Board during the initial period of operation of the Corporation and the Properties.

Section 8. Indemnification of Board Members. Each member of the Board shall be indemnified by the Owners against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he or it may be a party, or in which he or it may become involved, by reason of being or having been a member of the Board, or any settlement thereof, whether or not he is a member of the Board at the time such expenses or liabilities are incurred, except in such cases wherein the member of the Board is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Corporation or Owners. This section shall extend to and apply also for the indemnification of the Declarants during the initial period of operation of the Corporation and the Properties.

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have set their hands and seals this 29th day of March, 1974.

Clarence D. Sutter

CLARENCE D. SUTTER

Nancy I. Sutter

NANCY I. SUTTER

Howard C. Goul

HOWARD C. GOUL

Josephine N. Goul

JOSEPHINE N. GOUL

STATE OF IDAHO, COUNTY OF ADA, ss. *Carlyle B. ...*
Filed for record at the request of *Carlyle B. ...*
4 Mar. 1974
CLARENCE D. SUTTER

RETURNED