

## PROTECTIVE COVENANTS FOR HIDDEN VALLEY DIVISIONS 1-20

To The City of Ammon, Bonneville County, Idaho

Instrument # 1740565

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Index to: PROTECTIVE COVENANTS

Rockwell Homes Inc. located in the City of Ammon, Bonneville County, Idaho are the owners of the following described property in Bonneville County, Ammon, Idaho, Hidden Valley Divisions 1-20, as to the recorded plats in, Bonneville County, Idaho.

In order to protect subsequent lot and homeowners in said Hidden Valley Divisions 1-20 in The City of Ammon, Bonneville County, Idaho, and in order to assure a uniform and desirable use, occupancy and building on said real property; do hereby impress the above-described real property with the following covenants and restrictions:

1. Land Use and Building Type: No lot shall be used except for residential purposes. No building shall be erected upon any of the lots other than one detached single-family dwelling and the option of one detached garage or shed as approved by The City of Ammon and the Architectural Control Committee. Log homes shall not be permitted, manufactured homes and move on homes shall not be permitted. All homes must be stick built on the site.
2. Architectural Control. No building shall be erected, placed or altered on any lot until the construction plats and specifications and a plan showing the location of the structure, quality of workmanship, material and color harmony of external design with existing structures, and as to location with respect to topography and finish grade to any street (front and side) than the minimum building setback line as set forth in the zoning ordinances approved by The City of Ammon and approved by the Architectural Committee. When construction is started on a house, owner has one year to complete construction unless extension is approved by the Architectural Control Committee.
3. Dwelling Size. Must be approved by the Architectural Committee.
4. Building Location. No building shall be located on any lot line or nearer to the street line than the minimum building setback lines, as set forth in the zoning ordinances of The City of Ammon. For the purpose of this covenant, said distances are to be measured from the foundation. Any exceptions must be cleared through the Architectural Control Committee and The City of Ammon building department.
5. Building Exteriors. Must be approved by the Architectural Committee.
6. Easements. Each Property shall be subject to a utility and irrigation easement, and drainage facilities for the repair and maintenance of utilities, whether or not such easement is reflected on the applicable plat.
7. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.
8. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently. No outbuildings may be constructed unless first approved by the Architectural Control Committee. Out buildings, storage, detached garages, must meet the side yard and rear yard setback as set forth by The City of Ammon zoning.
9. Parking. No bus, large truck, house trailer, motor home, boat or camper will be parked in front of houses, on a street or driveway, including side streets of corner lots for more than duration of 48 hours. The area next to the garage may be used for parking such vehicles. Parking of RV's and boats that are in good repair, not older than 10 years and are not an eye sore may be parked next to the garage side of the house behind the front of the garage without a vinyl fence in front of it. RV's and boats older than 10 years or in disrepair along with all other items must be stored behind a vinyl fence such as recreational vehicles (snow mobiles, four wheelers etc.) utility trailers and any other items (tires, tools, wood etc. must be behind the front of the garage and behind a vinyl fence).
10. RV Pads. Only concrete is permitted for the RV pad. No gravel nor grass pads are allowed. Approach not to exceed city or county approach width limit. See local jurisdiction for exact measurements.
11. Detached Garages or Buildings. These buildings are allowed as permitted by Architectural Control Committee and The City of Ammon building department with setbacks as per city code per existing zone. Stick build buildings must conform in style and materials as to the home it is detached from (brick, rock, stucco, and siding). Tuff Sheds or similar style buildings are permitted as long as it meets ACC standards. An all-metal building is not permitted. Flat roofed buildings are not permitted. The building should not distract from the existing homes. The building should not exceed twenty-two (22) feet by twenty-four (24) feet and must have a minimum of a 4/12 pitch roof shingled with like materials as the home on the same property. No outbuilding can be constructed on the property without there being a home on the lot. Detached garages and buildings outside of these requirements must be approved by the Architectural Control Committee and

surrounding neighbors within a 200-foot radius around the lot. Approval must be signed in writing and a copy accepted by the Architectural Control Committee before a building is constructed. Tuff Sheds or similar style buildings are permitted as long as they are well maintained and behind a vinyl fence.

12. Garage and Refuse Disposal: No rubbish, trash, garbage or other wastes shall be dumped on any vacant lot. All such wastes shall be kept in clean, sanitary containers.
13. Livestock, Animals, and Poultry: No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot except dogs, cats or other household pets may be kept in accordance to The City of Ammon ordinances, and provided that they are not bred or maintained for any commercial purposes; a) Animals may be kept within the interior of a home so long as they do not disturb other Owners. Outdoor kennels or fenced areas cannot produce noxious odors or disturb neighboring Owners. (b) When pets are outside of the owner's property they must be supervised by the owner of the pet, who shall immediately clean up after any pet that defecates or disturbs the grounds. (c) Owners failing to comply with this requirement shall be fined by the Association \$50 per occurrence. If any pet becomes a nuisance to other Owners, the pet owner shall receive a written warning from the Committee, and if the problem persists the managing board of directors will meet with those involved to resolve the matter. The board of directors can require the pet owner to remove the pet from the Development upon written notice by the Management Committee or representative. If the pet owner fails to immediately remove the pet upon receipt of such written notice, in addition to other attempted remedies, including attorney's fees, the pet owner shall pay a \$50 penalty per day, payable to the Association.
14. Common Areas constitute in general all parts of the front entries, common green strips, parks and drainage ponds. Some of the common green strip areas will be defined as future development that will occur within Hidden Valley. The common areas and facilities shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Owners. The common areas shall be kept free and clear of all rubbish, debris, and other unsightly materials. The Hidden Valley Homeowners Association will be responsible for maintaining any temporary or permanent storm pond areas required by The City of Ammon or designated on the approved Subdivision Improvement Drawings.
15. Annual Association Fees: All Owners will be assessed an annual fee due February 1<sup>st</sup> of each calendar year for all owners of Hidden Valley. Association common expenses for administration, maintenance, repair, or replacement of the common areas and facilities, taxes and insurance, on behalf of all common areas and facilities. The fee shall be \$125.00 per year per parcel owner and will be raised as new areas are added to Hidden Valley. Association common expenses and common area assessments will be examined from time to time to determine if assessments are accurate and up to date. A late fee shall be assessed in the event of an Owner's late payment. If payment is received after 20 days late, a one-time late fee of \$25 shall be assessed in addition to the annual association fees.
16. Start-up Assessment: Each Owner will be charged a one-time Start-Up Assessment of \$75. The Start-Up Assessment is due at the closing of the transfer of the home from the Grantor to the first Owner. This Start-Up Assessment shall not be prorated for any time left in the calendar year following closing but shall be paid in full and in addition to the prorated Annual Association Fee described in Section 15. This Start-up Assessment shall be used by the Association to pay Grantor for all of the initial attorney fees, accounting fees, recording fees and filing fees relating to the creation of this Declaration and the Association, and the filing and recording thereof. When these amounts are paid, the Association may, in its sole discretion, use any remainder of the start-up fees as it would use regular assessments or fees.
17. Transfer Fee Assessment: Each home will be charged a Transfer Fee Assessment of \$50 as follows. It shall be paid in addition to the prorated Annual Association Fee and whenever an Owner other than the Grantor, sells or transfer ownership of said home to a different Owner. Transfer Fee Assessments shall be used as regular assessments or fees and are to offset costs associated with new ownership.
18. Sidewalks The owner of each lot shall be required to construct a five-foot sidewalk that complies with all applicable ordinances at the lot owner's expense not later than the time the residence is constructed or completed and ready for occupancy or shortly thereafter weather conditions being a consideration
19. The City of Ammon (Green Strip): Maintenance Between the street and the sidewalk located in the front of each parcel shall be an area that each parcel owner shall subsequently mow the grass, and otherwise care for and maintain, inclusive of watering the planting area in a neat, orderly and husbandry-like manner so as to provide a clean and attractive appearance. Grass ONLY will be required to grow and maintain in the Green Strip. Decorative rock or other types of landscape materials are not allowed. If owners do not comply with the covenants requiring grass only in the green strip. The association may remove it and pass the cost on to the owner per the guidelines within these covenants.
20. Landscaping. The lawn and landscaping expenses relating to any lot shall be at the Owner's expense and shall be completed within one year of the date the Certificate of Occupancy is issued. Landscape will require that a sprinkler system be installed including a timer control box. Kentucky blue grass or similar type grass should be planted in the easement, side yards and frontage of the lot. Ten percent (10%) of the front yard will be required to be a flower bed or planter area. No more than thirty percent (30%) of the front yard can be planter areas or flower beds. Front yard,

planters, front easement and side yards, should appear well manicured and maintained. If these areas are not maintained two letters of warning will be sent asking for compliance. If there is no compliance and these areas continue not to be maintained the Association or Architectural Control Committee may at its discretion hire the work to be done at the homeowner's expense, including a \$150.00 fine. If legal action is required all legal cost incurred by the Association or Architectural Control Committee will be passed on to the homeowner in non-compliance. NOTE: Any other change to the outlined above must be approved by the Architectural Control Committee or Association.

21. Water Control. Idaho Code §52-101 requires that a property owner prevent his irrigation waters from encroaching onto the property of another. If a property owner allows such encroachment, he may be liable to another for monetary damages. It is the property owner's responsibility to water their yards prudently to avoid puddling and flooding the neighbor's property. If you or your neighbor(s) experience water puddling and flooding, one or all are watering too often for too long. With the type of soil in this area, water does not absorb quickly into the soil. Once the grass roots are well established, the water will absorb more quickly using the roots as a conduit into the soil. Absorption of puddles does improve over a 3-to-5-year period as the grass develops a deep root system. For more information regarding soil type and characteristics, please contact your local County Extension Service. The developer shall not be held responsible for flooding or damage caused by flooding due to rain or snowmelt or irrigation water.
22. Fence. A 6' (six foot) white fence is allowed. Chain-link, wood, vinyl fences of any color but white or other materials used to build fences are not allowed unless approved by the Architectural Committee in writing.
23. Easement Property & Fence: No owner shall use the easement property in front of a parcel he does not own for vehicle parking. A parcel owner may, enclose the easement property directly behind their house and no closer to the street than the setback of the front of the home with a 6-foot-high vinyl fence
24. Antennas and Satellite Dishes. No large antennas or towers shall be allowed in any parcels, except that one or two satellite dishes less than 36 inches in diameter may be mounted on the rear or side of a building or on the rear or side of the roof.
25. Signs. No signs or advertisements shall be displayed on or from any parcel without the written approval from the Architectural Control Committee unless advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period. Signs used to sell property should be no larger than 3 feet by 3 feet unless approved by the Architectural Control Committee
26. Home Business and Offices: Home business and offices in residences are permitted as allowed by the County and City. Businesses that require foot or vehicular traffic or on street parking or increase the traffic in the neighborhood are not permitted unless approved by the Architectural Control Committee and local municipalities.
27. Architectural Control Committee: The Architectural Control Committee is composed of Rockwell Management. A majority of the committee may designate a representative to act for them in the event of the death or resignation of any member of the committee; the remaining members shall have full authority to designate a successor. Neither the members of the committee nor its designated representative shall be entitled to pay compensation for services performed pursuant to this covenant. After all of the lots in the Hidden Valley Development have been sold by the grantor. The owners of the lots shall have the power to change the membership of the committee as outlined in these covenants. Note: Rockwell Homes Inc. will maintain full control of Architectural Committee until all of the lots have been sold, by the developer, in all current and future Divisions of Hidden Valley.
28. Procedures: The committee's approval or disapproval as required in these covenants shall be in writing. In the event the committee, or its designated representative fails to approve or disapprove proposed plans within thirty (30) days after written plans and specifications have been submitted to it, approval will not be required and the related covenants shall be deemed to have been fully complied with.
29. Compliance: Any question or dispute as to whether a particular lot is being used within these restrictions shall be submitted to the Architectural Committee. The Committee shall make this determination within thirty (30) days. Its determination shall be final and binding upon the owners of said lots. The committee's approval or disapproval required in this Declaration shall be in writing. Requests for approval made to the Committee outside the set covenants need to be made in writing and may require surrounding neighbors within a 200-foot radius around the lot to approve such requests in addition to the approval of the Architectural Committee. Approval must be signed in writing and a copy accepted by the Architectural Control Committee before proceeding.
30. Finality. The Architectural Committee's decision shall be final and binding upon all parties concerned.
31. Non-Liability of Committee Members. Neither the Committee nor any member thereof shall be liable to the Association, or to any owner for any loss, damage or injury arising out of any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Committee. The Committee shall review and approve or disapprove all plans submitted to it for any proposed improvements, alterations or addition, solely on the basis of aesthetic considerations and immediate vicinity in Hidden Valley. The Committee shall take into consideration the aesthetics aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finished,

materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plans or designs be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

32. General Provisions: These covenants are to run with the land shall be binding on all parties and all persons claiming under them for a period of ten (15) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the majority of the owners of the lots has been recorded, agreeing to changes said covenants in whole or part.
33. Enforcement: Enforcement shall be by proceeding at law or inequity against any person or persons violating or attempting to violate any covenants, by such person or persons claiming such violation, either to restrain violation or to recover damages: and enforcement as such covenants are running with the land and shall be enforced as set out herein. Any legal fees will be paid by the homeowner in violation. All ACC violations will be fined at a rate of \$5 per day until the board has approved that the violation has been resolved.
34. Severability. Invalidation of any one of these covenants by judgment of court order shall be in no way effective on any of the other provisions, which shall remain in full force and effect
35. Amendment. These protective covenants may be amended only as provided in this paragraph: Rockwell Homes, Inc. management personnel will be the Managing Board of Directors for the Hidden Valley Association, to oversee 100% of all changes to the Hidden Valley Association until all the lots have been sold, by the developer, in all current and future Divisions of Hidden Valley. Rockwell Homes can make changes to the covenants at any time and remain in full control of the covenants until all of the lots have been sold by the developer in "Hidden Valley" and will maintain 100% control of the protective covenants belonging to Hidden Valley after which time, these protective covenants may be amended by the vote of (75%) seventy-five percent of the owners of the lots.

#### Hidden Valley Association

1. Description of House Ownership. There has been constructed on the above-described property a single-family dwelling project. The project will be sold in single parcels described by legal documentation at time of purchase and each will be separate freehold estate, separately described and conveyed. Each parcel will have full rights of ownership but will be governed by and subject to both the provisions of this declaration and all amendments hereafter made thereto. "Parcels" as more fully defined hereafter shall consist of all the land in fee simple and the structures located on the real property and all rights appurtenant thereto.
2. Managing Board of Directors. Rockwell Homes, Inc. management personnel will be the Managing Board of Directors for the Hidden Valley Association, to oversee that the Declaration of Covenants, Conditions and Restrictions for Hidden Valley until all the lots have been sold, by the developer, in all Divisions of Hidden Valley. During this interim, no Association meeting notices will be mailed or sent out unless deemed necessary. In regard to the Hidden Valley Association, the Board of Directors will make all changes and decisions until all properties have been sold. The Managing Board of Directors has the option to hire a third-party management company to oversee the duties of managing the association and collection of fees. When the last lot has been sold, the Hidden Valley Association property owners will elect a new Board of Directors consisting of a President, Vice President, and Secretary/Treasurer chosen from the Hidden Valley Association property owners by majority vote, and the rules of meeting notices will apply.
3. Association Created. By this declaration, declarant declares the existence of Homeowners Association as an unincorporated nonprofit Association under Idaho Code § 53-701 et seq. The purpose and powers of the Association shall be all of the purposes and powers set forth in this declaration. The Association shall perform the duties and enforce the covenants and restrictions set forth in this declaration.
4. Membership. Every owner shall be a member of an Association. If more than one person holds title to a parcel, the membership related to that parcel shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the parcel is held. An owner shall be entitled to one membership for each parcel owned by him. Each such membership shall be appurtenant to the parcel. No person or entity other than an owner may be a member of the Association, provided, however, that the rights of membership may be assigned to a mortgagee as further security for a loan secured by a lien on a parcel.
5. Administration. The owners covenant and agree that the administration of the easement property, the enforcement of covenants and restrictions, and exterior decoration functions of the Association property shall be in accordance with the provision of this declaration and the bylaws of this Association.
6. Meetings and Notices of the Association.
  - 6.1. Place of Meetings. Meetings of the Association shall be held at such place within the County of Bonneville and or Bonneville County in the State of Idaho, as the Board of Directors may specify in the notice, except as herein otherwise specified.

- 6.2. Annual Meetings. During the time that Rockwell Homes, Inc. is the Managing Board of Directors, there will be no meetings unless deemed necessary. After the Hidden Valley Association has been turned over to the property owners, the rules of meeting notices will apply as the following: The annual meetings of the Association shall be held on the second Thursday of May of each year, provided that the Board of Directors may by resolution, fix the date and place of the annual meeting on such other date or such other place as the Board of Directors may deem appropriate.
- 6.3. Special Meetings. During the time that Rockwell Homes, Inc. is the Managing Board of Directors, there will be no meeting notices mailed or sent out unless deemed necessary. After the Hidden Valley Association has been turned over to the property owners, the rules of meeting notices will apply as the following: Special meetings of the Association may be called at any time by written notice signed by a majority of the Board of Directors, or by owners having thirty percent (30%) of the total votes, delivered not less than ten- (10) days prior to the date fixed for said meeting. Such meeting shall be held on the project or such other place in Bonneville County, Ammon, Idaho, as the notice may specify and the notice thereof shall state the date, time, place and matters to be considered and shall contain a qualified proxy for absentee voting.
- 6.4. Notices. During the time that Rockwell Homes, Inc. is the Managing Board of Directors, there will be no meeting notices mailed or sent out unless deemed necessary. After the Hidden Valley Association has been turned over to the property owners, the rules of meeting notices will apply as the following: Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered to each Association member either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered 48 hours after a copy of the same has been deposited in the United State Mail, postage prepaid, addressed to each owner at the address given by such person to the Secretary for the purpose of service of such notice or to the parcel of such person if no other address has been given. Such address may be changed from time to time by notice in writing to the Secretary.
7. Quorum. After the Hidden Valley Association has been turned over to the property owners, the rules of meeting notices will apply as the following: At any meeting of the Association, in person or represented by qualified proxy, shall constitute a quorum for any and all purposes, except whereby express provision of this declaration a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum a meeting may be adjourned from time to time, without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any future gathering such an adjourned meeting where a quorum is present, any business may be transacted of which owners were originally notified.
8. Voting. After the Hidden Valley Association has been turned over to the property owners, the rules of meeting notices will apply as the following: Voting shall be on a parcel basis, and each parcel shall be entitled to one vote. When a quorum is present at any meeting, the vote of owners representing at least fifty-one percent (51%) or more of the voting rights of the owners either present in person or represented by qualified proxy, shall decide any question of business brought before such meeting, including the election of the Board of Directors, unless the question is one upon which this declaration requires a different vote, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by qualified proxy. All proxies shall be in writing and shall be delivered to the Secretary prior to the meeting.
9. Waiver of Notice. Any owner may at any time waive any notice required to be given under this declaration or by statute or otherwise. The presence of an owner in person at any meeting of the owners shall be deemed such waiver.
10. Action by Written Resolution.
- 10.1. During the time that Rockwell Homes, Inc. is the Managing Board of Directors, there will be no action by written resolution unless deemed necessary by the managing board.
- 10.2. When the Hidden Valley Association is turned over to the property owners, by its own motion, the Board of Directors shall cause a statement of the proposal to be delivered to all parcel owners. The statement shall set forth the proposed resolution and contain short statements from the proponents of the resolution and from the opponents of the action, if any, which fairly set forth the arguments in favor and against the proposal.
- 10.3. The statement shall be accompanied by a ballot containing the proposal and shall state a period of time beginning at least thirty- (30) days and not more than sixty (60) days from delivery when the ballot will be returnable to the Secretary of the Association or other location designated by the board.
- 10.4. A statement and ballot shall be either hand-delivered or mailed to each owner at the address maintained on the records of the Association. Mail delivery shall be complete on mailing by first-class mail.
- 10.5. A resolution will be deemed approved upon the receipt by the appointed agent within the designated time period of affirmative ballots signed by a majority of all owners. If the action were one that requires a two-thirds majority of all homeowners, or two-thirds of the members in attendance at a duly called meeting, the receipt of affirmative ballots signed by two-thirds of all homeowners shall be required for approval.

11. Board of Directors- The Board of Directors will be managed by Rockwell Homes Inc. until all of the lots have been sold, by the developer, in all Divisions of Hidden Valley. After all lots have been sold, management of the board will move to the following:
- 11.1. Board of Directors, Purposes and Powers. The Board of Directors shall be composed of three- (3) members, each of whom must be owners of parcels. On the majority vote of all parcel owners at a duly constituted meeting of the Association or by written resolution signed by a majority of all parcel owners, the number of directors constituting the Board of Directors may be expanded. No director may fulfill his or her duties by qualified proxy or substitute.
- 11.2. Election. After the Hidden Valley Association has been turned over to the property owners, the rules of meeting notices will apply as the following: At the first special meeting of the Association called for that and any other purpose, an election of the Board of Directors shall be held for the initial Board of Directors. The Board of Directors shall serve for a term of one year, with the exception of the Vice President who will serve a two-year term. The first year the Vice President serves as the Vice President, the second year the Vice President automatically becomes the President and a new Vice President is elected. Each year a new Vice President and a new Secretary/Treasurer are elected. Two people may hold the Secretary/Treasurer position by one serving as the Secretary and the other serving as the Treasurer.
- 11.3. Vacancies. In the event of vacancies on the Board of Directors resulting from any reason whatsoever, a special meeting of the Association shall be called for the purpose of electing a director to fill the remainder of the term vacated.
- 11.4. Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after the adjournment of each annual Association meeting. Regular meetings, other than the annual meeting, shall or may be held at regular intervals at such places and at such times as either the President or the Board of Directors may from time to time designate.
- 11.5. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President or by three- (3) or more members. By unanimous consent of the Board of Directors.
- 11.6. Quorum and Voting. A quorum for the transaction of business at any meeting of the Board of Directors shall consist of a majority of the Board of Directors. All action shall be approved upon the vote of a majority of those in attendance at the duly called meeting at which a quorum is in attendance. A member of the board may be represented by a qualified proxy only if, but only if, all the other directors unanimously approve the qualified proxy in attendance at the meeting.
- 11.7. Compensation. Members of the Board of Directors, as such, shall not receive any stated salary or compensation.
- 11.8. Waiver of Notice. Before or at any meeting of the Board of Directors, any member thereof may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting thereof shall be a waiver of notice by him of the time and place thereof.
- 11.9. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty- (30) days.
- 11.10. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Board of Directors handling or responsible for funds provide adequate fidelity bonds. The premium on such fidelity bonds shall be a common expense.
- 11.11. Indemnification. Each member of the Board of Directors shall be indemnified and held harmless by the owners against all costs, expenses and liabilities whatsoever, including without limitation, attorney's fees reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said body. Expenses incurred by reason of this indemnification shall be a common expense.
- 11.12. Written Resolution. Any action of the Board of Directors that could be approved at a meeting may be taken without a meeting if a consent in writing setting forth the action to be authorized, shall be signed by all the directors.
- 11.13. Officers.
- 11.13.1. Designation and Election. The principal officers of the Board of Directors shall be a President, a Vice-President and a Secretary-Treasurer, all of whom shall be elected by a quorum at its first meeting following the annual meeting of the Association for a one-year term with the exception of the Vice President. The Board of Directors may appoint an assistant Secretary-Treasurer and such other officers as in its judgment may be necessary or desirable, but the same shall not be voting members unless elected from the quorum of the Association.
- 11.13.2. Removal of Officers and Agents. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then members of the Board of Directors.

11.13.3. President. The President shall be the chief executive of the Board of Directors and shall exercise general supervision over the Association's property and affairs. The President may also function as managing agent. The President shall sign on behalf of the Association all contracts relating to the property and shall do and perform all acts and things, which the Board of Directors may require of him. He shall preside at all meetings of the Association and Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the President of a corporation, including but not limited to, the power to appoint committees from among the members from time to time as may be in his discretion to assist in the conduct of the project. The President shall be the agent for serving process in any action relating to the common easement pursuant to Idaho Code § 55-1512.

11.13.4. Vice President. The Vice-President is elected to a one-year term as Vice President and then automatically becomes President for the following one-year term. The duties while acting as Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other members thereof to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be prescribed by the Board of Directors.

11.13.5. Secretary-Treasurer. Two people may hold the Secretary/Treasurer position by one serving as the Secretary and the other serving as the Treasurer. The Secretary-Treasurer shall keep the minutes of all meetings of the Board of Directors and of the Association, have charge of the books and papers as the Board of Directors may direct, shall in general, perform all the duties incident to the office of the Secretary-Treasurer and shall have the responsibility for the funds and securities of the Association and shall be responsible for keeping full and accurate accounts of all receipts and all disbursements in books belonging to the Board of Directors. He shall be responsible for the deposit of all monies and all other valuable effects in the name and to the credit of the Association in such depositories as may be from time to time designated by the Board of Directors.

11.14. Compensation. No compensation shall be paid to the officers for their services as officers. No compensation shall be paid to an officer for services performed by him for the Board of Directors in any other capacity, unless the Board of Directors shall have unanimously adopted a resolution authorizing such compensation before the services are undertaken.

11.15. Administrative Rules and Regulations. The Board of Directors shall have the power to adopt and establish by resolution such management and operational rules as it may deem necessary for the maintenance, operation, management and control of the property. The management body may adopt the initial regulations governing the use of the project by the owners without giving notice to the owners; however, subsequent regulations shall be adopted only after due notice of the proposed regulations is given to the owners and the owners are given an opportunity to present arguments for or against such regulations.

11.16. Obligation to Comply Herewith. All owners shall comply with all provisions of this declaration, the bylaws and the administrative rules and regulations pertaining to the project and shall require such compliance from their children, tenants, guests, employees and any other persons whom they invite upon the project. All agreements, decisions and determinations lawfully made by the Association shall be deemed to be binding on all owners and shall inure to their benefit. Each owner, any group of owners or the Association shall have standing and authority unless otherwise provided, to enforce by any legal means, including suit for specific performance, injunctive relief or damages, the provisions of the declaration and any duly adopted decisions or regulations of the Association.

## 12. Hidden Valley Association Management

12.1. General Management of Project.

12.2. Responsibility for Management. The Association shall have the responsibility for management of the property and can hire a third party to oversee management responsibilities.

12.3. Management in Accordance with Declaration, Etc. The Association shall be responsible for the control, operation and management of the project in accordance with the provisions of this declaration and such administrative, management and operational rules and regulations as may be adopted by the Association.

12.4. Necessary Powers. The Association shall have the powers necessary for the administration of the project's affairs.

12.5. Actions by Association. Without limiting the rights of any owner, actions may be brought by the Association on behalf of two or more of the owners with respect to any cause of action relating to the easement property appurtenant to one or more parcels, but all expenses incurred by the Association in so doing shall be assessed to the owners for whose benefit the suit is being brought.

12.6. Specific Duties of Association. The Association shall have the obligation to contract for the operation, repair and maintenance of the common ground and easement property and the exterior decoration, for necessary legal and accounting services and to purchase materials and supplies therefore. The Association shall make all expenditures

authorized once such expenditures have been authorized in the annual budget. The declarant, prior to submitting an annual budget to the Association, is authorized to incur and pay reasonable and necessary expenses. All payment vouchers shall be approved by the President and after such approval, shall be paid by the Association. Upon thirty- (30) days' notice to the Association and upon payment of a reasonable fee therefore, the Association shall furnish to any owner a statement of his account setting forth the amount of any unpaid assessments or other charges due or owing from such owner. It shall be the duty of the Association to bill, collect and receipt the collection of all monthly or annual assessments and to enforce the collection thereof. The Association shall have the affirmative obligation to enforce all provisions of this declaration and shall retain the services an attorney when necessary to do so. The Association shall record in the office of the Bonneville County Recorder all instruments affecting the property. The Association shall see that all members are informed with respect to all regulations as may be adopted and promulgated by the Board of Directors or Association from time to time. The Association shall have the authority and duty to designate and remove, when it deems removal appropriate, any property improperly remaining on the common ground and easement property and to contract for the snow removal, cleaning, maintenance and repair of the improvements on the common ground and easement property.

12.7. Accounting.

12.7.1. During the time that Rockwell Homes, Inc. is the Managing Board of Directors, all accounting of the Association will be managed by Rockwell Homes, Inc. management personnel. A full accounting of the Associations' books and records will be disclosed at the time the Association is turned over to the property owners.

12.7.2. Books and Accounts. The books and accounts of the Association shall be kept under the direction of the Secretary-Treasurer and in accordance with the reasonable standards of accounting procedures.

12.7.3. Report. At the close of each account year, the books and records of the project shall be reviewed by a person or firm approved by the Association. Report of such review shall be prepared and submitted to the owners at or before the annual meeting of the Association, provided, however, that a certified audit by a certified public accountant approved by the Association shall be made if the owners so vote.

12.7.4. Inspection of Books. Financial reports, such as are required to be furnished, shall be available at the principal office of the Association for inspection at reasonable times by any owner.

12.7.5. Mortgagee's Right to Management Information. Any mortgagee shall be entitled upon request to:

12.7.5.1. Inspect the books and records of the project at the office of the Association during normal business hours;

12.7.5.2. Receive an annual financial statement of the Association within ninety- (90) days following the end of the fiscal year; and

12.7.5.3. Receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

12.8. Contracting of Administrative Duties. The Association may, at its option, enter into an agreement with any other homeowner's Association or professional management entity for a period not exceeding three- (3) years for performance of administrative duties of the Association. The Association may contract with such agents as appropriate for any of its required functions including the collection of assessments and all bookkeeping and accounting.

13. Hidden Valley Association Common Expenses

13.1. During the time that Rockwell Homes, Inc. is the managing Board of Directors, they will have full control over managing common expenses incurred in the project.

13.2. Annual Budget. The Association shall prepare an annual budget, which shall indicate anticipated management, operating, maintenance, repair and other common expenses for the Association's next fiscal year. The annual budget shall be the basis for the assessment for that next year. It may include among other things, insurance, common lighting, landscaping and care of grounds, repairs, renovations and painting of the easement property, snow removal, wages, water charges, legal and accounting fees, management fees, taxes, expenses and liabilities incurred by the Association under or by reason of this declaration, the payment of any deficit remaining from a previous period and the creation of a contingency or other reserve or surplus fund, as determined by the Association. The Association's fiscal year shall be the calendar year.

13.3. Presented to Owners. During the time that Rockwell Homes, Inc. is the Managing Board of Directors, there will be no meetings unless deemed necessary. The proposed annual budget shall be presented at a regularly constituted meeting of the Association to be scheduled at least one month before the commencement of the budgeted year. At such meeting, approval by a quorum of all the owners present either in person or represented by qualified proxy, shall be necessary to ratify the annual budget for the following year. The budget for the prior year shall remain in effect until a new budget is

approved. Failure to hold the annual budget meeting by the scheduled time shall not invalidate the budget process for the rest of the year.

- 13.4. Annual Association Fees: All Owners will be assessed an annual fee due February 1<sup>st</sup> of each calendar year for all Hidden Valley Association common expenses for administration, maintenance, repair, or replacement of the common areas and facilities, taxes and insurance, on behalf of all common areas and facilities. The fee shall be \$100.00 per year per parcel owner. Association common expenses and common area assessments will be examined from time to time to determine if assessments are accurate and up to date.
- 13.5. Costs of Collection: Annual association fees are due in advance on February 1<sup>st</sup> each year. A \$25 late fee will be assessed for any payment paid five days or more past the due date. All assessments and fees are payable to "Hidden Valley Association" and mailed or delivered to 3539 Briar Creek Lane, Ammon, Idaho 83406, or at such other address designated by the Association in writing. Unpaid Association dues shall include a \$100 filing fee plus necessary collection charges attorney's fees, collection agency, costs of suit and costs of establishing a lien or foreclosure of the same, shall also become a debt of the owner at the time such costs are incurred and constitute a lien upon the property.
- 13.6. Insurance. All owners of property will provide their own hazard or public liability insurance homeowners policy on the property owned by them. The Association or Board of Directors shall maintain the following insurance as outlined below:
- 13.7. During the time that Rockwell Homes Inc. is the managing Board of Directors for the Hidden Valley Association. The Hazard Insurance, Fidelity Insurance and Liability Insurance can be covered under the Insurance Policy's set up and managed by "Rockwell Homes Inc.". The managing Board of Directors will ensure that all Insurances mention in this document is in place either through Rockwell Homes Inc. and or the Hidden Valley Association.
- 13.7.1. Hazard Insurance. The association shall at all times maintain in force hazard insurance meeting the following requirements: A multi-peril type "master" or "blanket" policy covering common areas. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, debris removal, cost at demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to projects similar to the development in construction, location, and use. As a minimum, such policy shall provide coverage on replacement cost basis in a amount not less than that necessary to comply with any coinsurance percentage specified in the policy but not less than one hundred percent (100%) of the full insurable value (based on the replacement cost).
- 13.7.2. Fidelity Insurance. The association shall at all times maintain in force fidelity coverage against dishonest acts on the part of Managers (and employees of Managers), trustees, employees, officers, handling funds belonging to or administered by the Association. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one hundred fifty percent (150%) of the estimated annual operating expenses of the Development including reserve funds. Such fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.
- 13.8. Liability Insurance. The Association of owners shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a severability of interest endorsement of its equivalent which shall preclude the insurer from denying the claim of an owner because of negligent acts of other Owners, or the Association of Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as customarily are covered with respect to projects similar to the Development in construction, location and use. The limit of liability under such insurance shall not be less than \$1,000,000 for all claims for personal injury and/or property damage arising out of a single occurrence.
- 13.9. Lien Against Parcel. The amount of any such assessments or other extraordinary assessments together with costs of collection shall be secured by a lien upon the parcel assessed, from and after the time the Association causes to be recorded with the Bonneville County Recorder's Office a notice of assessment which shall state the amount of the annual assessment, the amount of any periodic installment and the due date thereof and all incurred or anticipated collection costs, a description of the parcel against which it has been assessed and the name of the recorded owner thereof. Such notice shall be signed by a duly authorized representative of the Association and may be filed at any time after delinquency in payment. If any assessment or installment is not paid within three- (3) months of the due date, such lien may be foreclosed in like manner as a mortgage upon real property
- 13.10. No Abandonment. No owner may exempt himself from liability for his contribution toward the expenses of the Association by waiver of the use or enjoyment of any of the easement properties or by the abandonment of his parcel.
- 13.11. Reserve Fund Upon Transfer. If an owner transfers his parcel to another, his interest in all funds of the Association including any reserve fund shall be deemed to also have been transferred to the new owner as an appurtenance to the transferred parcel.

13.12. Grantee Liable. The grantee of a parcel shall be jointly and severally liable with the grantor for all unpaid assessments owed by the grantor at the time of the conveyance, but such liability shall be without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee therefore.

13.13. Statement of Assessment. Upon payment of a reasonable fee and upon written request by any owner, mortgagee, prospective mortgagee, or prospective purchaser of a parcel, the Association shall issue a written statement setting forth with respect to any parcel the amount of the unpaid assessments, if any, the amount of the current periodic assessment and the date that such assessment becomes or became due; credit for advanced payments or prepaid items, including, but not limited to, an owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith except in the case of obvious error. Unless the request for such written statement shall be met within ten- (10) days, all unpaid assessments which become due prior to the date of making of such request shall be subordinate to the lien, if any, held by the person making the request. Any mortgagee may pay any amount shown as due on such statement, and upon such payment such mortgagee shall have a lien on such parcel for the amount paid of the same rank as the lien of his encumbrance.

13.14. Assignment of Rents. If any owner who is renting his parcel to another shall default for a period of one month in the payment of any assessments, the Association may, at its option, and for so long as such default shall continue, demand and receive from any tenant occupying the parcel, any portion of the rent due or becoming due, and to the extent such rent is paid to the Association such tenant shall be discharged of liability to the owner.

13.15. Mortgagee Protection. Notwithstanding all other provisions of this Article, the liens created hereunder upon any parcel shall be subject and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage and any purchase money mortgage created by the original purchaser of each parcel from developer made in good faith and for value, provided that after foreclosure and sale by any such first mortgagee, there may be a lien created to secure all assessments, whether regular or special, coming due after the date of such foreclosure sale. No amendment of this declaration shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof. By subordination agreement executed by the Association, the benefits of this paragraph may be extended to mortgagees not otherwise entitled thereto. Any mortgagee which comes into possession of the parcel pursuant to the remedies provided in the mortgage or by transfer in lieu of foreclosure shall take the property free of any claims for unpaid assessments or charges the notice of lien for which was filed of record in the Bonneville County Recorder's Office subsequent to the date when such mortgage was filed of record in that office and shall take free of any claims for unpaid assessments or charges for which no notice of lien has been filed and which have accrued prior to the time when such holder comes into possession of such parcel. Assessments shall be deemed to accrue and become due periodically as assessed and not annually, and assessments becoming due subsequent to when the holder of such mortgage comes into possession of such parcel may be secured by the creation of a lien against such parcel.

#### 14. Hidden Valley Association Definitions

14.1. "Association" means the Hidden Valley Association an unincorporated Association composed of all owners as defined in the Hidden Valley Association Section Paragraph 1 & 2. Rockwell Homes, Inc. management personnel will be the Managing Board of Directors for the Association until all properties have been sold. At which time the Hidden Valley Association property owners will elect a new Board of Directors consisting of a President, Vice President, and Secretary/Treasurer chosen from the Hidden Valley Association owners by unanimous vote. During the time that Rockwell Homes, Inc. is the Managing Board of Directors, there will be no meeting or notices mailed or sent out unless deemed necessary by the managing board. After the Hidden Valley Association has been turned over to the property owners, the rules of meeting notices will apply.

14.2. "COMMON EXPENSE" means any amount assessed against the owners of a parcel pursuant to this declaration, e.g., mandatory monthly utilities, and pursuant to such rules and regulations as the Association shall adopt or agree upon for the care and maintenance of the easement property and the common good and benefit of the parcel owners.

14.3. "Development plan" means the graphic representation of the property and the legal descriptions of each individual parcel, which will be spelled out individually at time of sale.

14.4. "Easement property" means that part of each parcel not covered by buildings, or fenced yards as granted by the original subdivision. Fenced area shall then become limited easement area private to the parcel owner and maintained by the Association only if gates and access are readily available to the maintenance crews. If the fenced area is not accessible the parcel owner will be responsible for maintaining that portion. If the fenced area is not accessible the parcel owner will be responsible for maintaining that portion. Gates must be a minimum of 4 feet wide.


14.5. "Institutional mortgagee" means any institutional holder of any interest in any mortgagee or deed of trust by which a parcel of the property is encumbered.

14.6. "Management body" means the Association or the designated agent thereof.

- 14.7. "Property" shall mean and refer to real property described herein, together with all improvements existing or from time to time constructed thereon.
- 14.8. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any parcel, excluding however, any mortgagees unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. If more than one person or entity owns a parcel, the multiple owners shall only be allowed one vote in the meetings of the Association. A purchaser under a contract of sale shall be deemed an owner if the contract is recorded in the Bonneville County Recorder's Office.
- 14.9. "Parcel" means the entire parcel of the property as described by the metes and bounds description together with all appurtenances thereto. Each parcel shall consist of the described land with all improvements constructed thereon, but subject to the easements identified herein.
- 14.10. Easement. Each parcel is hereby declared to be subject to and conversely the owners thereof the following common easements:
- 14.10.1. A perpetual right and easement for ingress and egress by persons and vehicles.
  - 14.10.2. A perpetual right and easement of light, air, prospect over and across all the easement property.
  - 14.10.3. The right of horizontal and lateral support.
  - 14.10.4. The right to clean, maintain, repair, replace, beautify, landscape, and decorate the easement property including the right to remove any vehicle or other property left upon the individual driveways for more than forty-eight consecutive hours without being moved.
  - 14.10.5. An easement for the water, gas, electric, sewer and TV cable and other utility lines as the same now exist, or as may hereafter be authorized by the Association, together with the right to maintain, repair and replace the same.
  - 14.10.6. If any building upon any of the parcels encroaches or shall hereafter encroach upon another parcel, an easement for such encroachment and for the maintenance of the same shall and does exist.

15. AMENDMENT

- 15.1. Rockwell Homes Inc. management personnel will be the Managing Board of Directors for both Entities until all properties have been sold, by the developer.
- 15.2. This declaration may be amended (after the Association is managed by the property owners) by the unanimous vote of a quorum of those parcel owners in attendance including qualified proxy votes at a duly called and constituted special meeting of the Association. Any amendment shall be recorded in the Bonneville County Recorder's Office, State of Idaho, and shall be accompanied by a certificate of the Secretary of the Association certifying the manner of the adoption of said amendment. Also, a copy of said amendment shall be sent to each owner. Thereafter, the amendment shall be binding upon each owner, whether the burdens thereof are increased or decreased thereby or whether the owner of a particular parcel consented thereto. Provided, however, unless all mortgagees and all owners of the parcel have given their prior written approval, no amendment shall be made which changes the prorated interest or obligation of any parcel for purposes of levying assessments and charges for Association expenses or changing the manner in which taxes are assessed against the parcels.

Dated 1-26-2023  
  
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Rockwell Homes Inc. By Cameron High

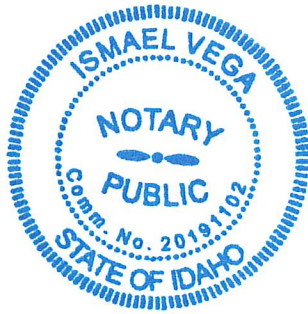
STATE OF IDAHO \_\_\_\_\_)

County of Bonneville)ss.

On this 26<sup>th</sup> day of January 2023 before me, the undersigned, Ismael Vega, a Notary Public in and for the State of Idaho, personally appeared Rockwell Homes Inc. By Cameron High, who, being by me first duly sworn, declared that they are the owners of Hidden Valley Division 1 that they signed the foregoing document on behalf of the corporation, and that the statements therein contained are true.

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

(SEAL)



Ismael Vega  
NOTARY PUBLIC FOR IDAHO  
Residing at: Bonneville County  
My Commission Exp.: 06/03/25