

ACCOMMODATION

d.A 4983

ADA COUNTY RECORDER
J. DAVID NAVARRO
PULSE, IDAHO

2001 NO -1 PM 2:45

RECORDED-REQUEST OF
FEE 51.00 DEPUTY [Signature]
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PIONEER TITLE

THIRD SUPPLEMENT TO THE MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
TWO RIVERS SUBDIVISION

THIS THIRD SUPPLEMENT to the Master Declaration of Covenants, Conditions and Restrictions of Two Rivers Subdivision (hereinafter referred to as "First Supplement") is made on the date hereinafter set forth, by T R Company, LLC, an Idaho limited liability company ("Declarant").

WHEREAS, Declarant is the owner of certain real property in Ada County, State of Idaho, hereinafter referred to as the "Third Supplement Property", more particularly described as Two Rivers Subdivision No. 3, according to the official plat thereof, recorded on the 7th day of August 2001, in Book 82 of Plats, pages 8979 through 8981, as Instrument No. 101080094, records of Ada County, Idaho; and

WHEREAS, Declarant has heretofore filed that certain Master Declaration of Covenants, Conditions and Restrictions of Two Rivers Subdivision (hereinafter the "Master Declaration"), which Master Declaration was recorded on July 25, 2000 as Instrument No. 100058217, records of Ada County, Idaho; and

WHEREAS, Declarant has heretofore filed that certain Amendment to Master Declaration of Covenants, Conditions and Restrictions of Two Rivers Subdivision (hereinafter the "Amendment"), which Amendment was recorded on August 24, 2001 as Instrument No. 101087062, records of Ada County, Idaho; and

WHEREAS, Declarant has heretofore filed that certain Second Amendment to Master Declaration of Covenants, Conditions and Restrictions of Two Rivers Subdivision (hereinafter the "Second Amendment"), which Second Amendment was recorded on 11-1-01 as Instrument No. 101114988, records of Ada County, Idaho; and

WHEREAS, the Amendment and Second Amendment shall hereinafter be referred to as the "Amendments"; and

WHEREAS, the Master Declaration provided for the recordation of Supplemental Declarations setting forth more specific and/or additional covenants, conditions and restrictions to be applicable to portions of the Properties described therein.

NOW, THEREFORE, Declarant hereby declares that the Third Supplement Property shall be held, sold, conveyed and subject to the Master Declaration and Amendments, which Master Declaration and Amendments are hereby incorporated by reference as if fully set forth herein except in so far as the covenants, conditions and restrictions of the Master Declaration and Amendments are hereinafter supplemented or modified. It is the intention of the Declarant that the provisions of the Master Declaration, the Amendments and this Third Supplement be read together, as a whole so that the provisions of the Master Declaration, the Amendments and this Third Supplement shall, to the maximum extent possible, both be applicable to the Third Supplement property except to the extent the provisions of this Third Supplement shall specifically modify or supercede the provisions of the Master Declaration and Amendments. By way of example but not by limitation, the Owners of Lots in the Third Supplement Property shall be members of both the Two Rivers Subdivision Homeowners Association, Inc. (the "Master Association") and The Pointe at Two Rivers Homeowners Association, Inc. (the "Association"), shall be entitled to all rights and benefits and subject to all obligations and duties of membership in each and shall be subject to the assessments of each. Any provision of the Master Declaration and Amendments not specifically amended, modified, superceded, terminated or otherwise addressed in this Third Supplement shall be fully applicable to the Third Supplement property as if repeated herein in full.

ARTICLE I: DEFINITIONS

As used in this Third Supplement, the following terms shall have the following meanings:

Section 1. "ASSOCIATION" shall mean and refer to The Pointe at Two Rivers Homeowners Association, Inc., a Local Association as defined in the Master Declaration.

Section 2. "THIRD SUPPLEMENT PROPERTY" shall mean and refer to that certain real property hereinabove described.

Section 3. "COMMON AREA" shall mean all real property and improvements thereon (including private streets, drives, parking areas, recreational facilities and waterways) owned by the Association for the common use and

enjoyment of the Owners. The Common Area to be owned by the Association is described as follows:

Lots 7, 15, 16 and 17, Block 20 and Lot 1, Block 26, Two Rivers Subdivision No. 3 according to the official plat thereof.

Section 4. "LOT" or "LOTS" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Third Supplement Property, with the exception of the Common Areas.

Section 5. "MASTER ASSOCIATION" shall mean and refer to Two Rivers Homeowner's Association, Inc., a nonprofit corporation organized under the laws of the State of Idaho, its successors and assigns.

Section 6. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Third Supplement Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "DECLARANT" shall mean and refer to T R Company, LLC, an Idaho limited liability company, its successors and, subject to the provisions of Article XII, Section 2, its assigns.

Section 8. "MASTER DECLARATION" shall mean and refer to the Master Declaration of Covenants, Conditions and Restrictions applicable to the Properties or any portion thereof recorded in the office of the County Recorder of Ada County, State of Idaho.

Section 9. "THIRD SUPPLEMENT" shall mean this Third Supplement to the Master Declaration.

Section 10. "WATERWAY" or "WATERWAYS" shall mean any surface water amenity, including, without limitation, any lake, pond, channel, slough, stream, or reservoir, natural or artificial, the banks thereof and adjacent landscaping, including pumps, pipes and other conveyancing apparatus used in connection therewith which is located on the Third Supplement Property and which is included within or managed as Common Area.

Section 17. "PLAT" shall mean any subdivision plat covering any portion of the Third Supplement Property as recorded at the Office of the County Recorder, Ada County, Idaho, as the same may be amended by duly recorded amendments thereof.

ARTICLE II: PROPERTY RIGHTS; RESERVATION OF WATER RIGHTS

Section 1. Enjoyment of Common Area: Each Owner shall have a right and easement of enjoyment in and to the Common Area, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject, however, to the following provisions:

- A. The right of the Association to charge reasonable maintenance and other fees for the use and maintenance of any landscaping improvement or recreational facility situated upon the Common Area.
- B. The right of the Association to suspend the voting rights and 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 sixty (60) days for any infraction of its published rules and regulations.
- C. The right of the Association to limit the number of members permitted to use the Common Area.
- D. The right of the Association to charge reasonable admission fees for the use of any recreational facility situated upon the Common Area or otherwise controlled by an Association, including, particularly, the right to charge a special use fee for members who desire exclusive short-term use of such facility and who are willing to pay a special fee or assessment for such use.
- E. The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities; and, in aid thereof, to place a mortgage or trust deed thereon, which shall be a first and prior lien there against; provided that the Common Area may not be mortgaged or conveyed without the consent of at least 66-2/3% of the Owners (excluding the Declarant), and that any conveyance or mortgage of Common Area shall be subject to and subordinate to rights of ingress and egress of an Owner to his/her Lot.
- F. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members; provided, however, that except as to the Association's right to grant easements for utilities and similar or related purposes, no part of the Common Area and facilities may be alienated, released, transferred, hypothecated or otherwise encumbered without the written approval of all First Mortgagees and two-thirds (2/3) of the

votes of each class of members who are voting in person or by proxy at a meeting duly held for this purpose.

- G. The right of the Directors of the Association to promulgate reasonable rules and regulations governing such right of use, from time to time, in the interest of securing maximum safe usage of such Common Area by the members of the Association without unduly infringing upon the privacy or enjoyment of the Owner or occupant of any part of said property, including without being limited thereto, rules restricting persons under or over designated ages from using certain portions of said property during certain times and reasonable regulations and restrictions regarding vehicle parking.

Section 2. Delegation of Use: Any member may delegate, in accordance with the rules and regulations adopted from time to time by the Directors of the Association, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers, provided they reside on the property at the time of use.

ARTICLE III: THE POINTE AT TWO RIVERS HOMEOWNERS ASSOCIATION

Section 1. Membership: Every Owner of a Lot which is subject to assessment shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the payment of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Such ownership shall be the sole qualification for membership and shall automatically commence upon a person becoming such Owner and shall automatically terminate and lapse when such ownership in said property shall terminate or be transferred. Absolute liability is not imposed on Owners/members for damage to Common Areas or Lots in The Pointe at Two Rivers Properties.

Section 2. Voting Rights: The Association shall have two classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional votes shall not be allowed. The vote applicable to any said Lot being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.

Class B: Class B member(s) shall be the Declarant and shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

- A. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- B. On July 1, 2011.

Section 3. Assessments:

A. **Creation of Lien and Personal Obligation of Assessments:** Each Owner of any Lot, by acceptance of a deed therefor (whether or not it shall be so expressed in such deed), is deemed to covenant and agree to pay to the Association:

- 1. Regular annual or other regular periodic assessments or charges; and
- 2. Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided.

The regular and special assessments, together with interest, costs of collection and reasonable attorney's fees shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The obligation shall remain a lien on the Lot until paid or foreclosed, but shall not be a personal obligation of successors in title, unless expressly assumed.

B. **Purpose of Assessments:** The assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety and welfare of the residents of the Third Supplement Property, for the operation, maintenance, repair and improvement of the Common Areas and facilities located thereon, including, but not limited to the private streets, for the creation of a reserve fund for future repair or replacement of the private streets and other Common Area improvements, for the reasonable expenses incurred in the operation of the affairs of the Association, for the expenses incurred by the Association in connection with any of its obligations contained in this Third Supplement or in the Bylaws of the Association, and for

any other purpose reasonably authorized by the directors of the Association.

- C. Maximum 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 \$1,140.00. Thereafter, the Board of Directors of the Association shall fix the annual assessment in such amount as may reasonably be required for the purposes set forth herein; and said assessments shall be payable to the Association in regular monthly or quarterly installments as may be determined by the Board of Directors.
- D. Initiation Assessment: Upon the initial conveyance of each lot, the purchaser thereof shall pay an initiation assessment in the amount of \$1,000.00.
- E. Special Assessments for Capital Improvements: In addition to the regular assessments authorized above, the Association 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 construction, 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 assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Any such special assessment shall be payable over such a period as the Association shall determine.
- F. Notice and Quorum for Any Action Authorized Under Section 3E: Written notice of any meeting called for the purpose of taking any action authorized under Section 3E, above, shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership 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 sixty (60) days following the preceding meeting.
- G. Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate for non-exempt Lots.

- H. Date of Commencement of Annual Assessments; Due Dates: The annual assessments provided for herein shall commence as to a Lot sold on the first day of the month following the initial conveyance of the said Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors 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. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.
- I. Effect of Nonpayment of Assessments; Remedies of Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.
- J. Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments 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.
- K. Exempt Property: The following property, subject to this Third Supplement, shall be exempt from the assessments created herein:
1. All property expressly dedicated to and accepted by a local public authority;
 2. The Common Area;
 3. All other properties owned by the Declarant or an Association; and

4. All Lots owned by Declarant, until title is transferred to another, or until occupancy, whichever occurs first.

ARTICLE IV: STORM WATER DRAINAGE AND RETENTION SYSTEM

Section 1. Ada County Highway District Storm Water and Drainage Easement: In addition to the storm water, drainage, overflow and retention easement granted to the Ada County Highway District in Article VI, Section 1 of the Master Declaration and Section 1 of the Second Supplement to the Master Declaration of Covenants, Conditions and Restrictions of Two Rivers Subdivision, the Ada County Highway District is hereby granted a perpetual blanket storm water, drainage, overflow and retention easement over the ACHD Storm Drain Easements as depicted on the Plat, which said easements generally consist of 140 feet of the rear of Lots 19 through 25, Block 20, Two Rivers Subdivision No. 3 and 80 feet at the rear of Lots 8 through 12, Block 20, Two Rivers Subdivision.

Section 2. Operation and Maintenance of Storm Water Drainage and Retention System: The operation and maintenance of the storm water drainage and retention system shall be as set forth in the Master Declaration, provided, however, that the Association (and not the Master Association) shall be responsible for maintenance of all landscaping improvements within the easement areas including, but not limited to, mowing, trimming, fertilizing and irrigating. Except as specifically set forth herein, the provisions of Article VI of the Master Declaration shall be applicable to the easement areas described in this Article IV.

ARTICLE V: PRIVATE STREETS:

Access to each Lot is provided by a system of private streets to be constructed by Declarant and owned and operated by the Association as a part of the Common Area. Said private streets are designated on the plat as Lot 15, Block 20, Two Rivers Subdivision No. 3, according to the official plat thereof, which Lot is dedicated and restricted to the perpetual and indefeasible right of ingress and egress over and across said Lot for the exclusive use and benefit of the Owners and residents of Lots 8 through 14 and 18 through 25, Block 20, Two Rivers Subdivision No. 3 and their guests and invitees. The perpetual right of ingress and egress over and upon said Lot 15, Block 20, Two Rivers Subdivision No. 3, according to the official plat thereof may not be terminated or extinguished without the written consent of all Owners, the Association, and any and all parties having any interest in the Third Supplement Property.

ARTICLE VI: EASEMENTS

Section 1. Future Easements: The Association shall have the future right to provide for such easements across, upon and under the surface of its Common Area as platted herein as may be reasonably necessary to serve the interests and convenience of the property Owners of this subdivision for public or private ways,

public utilities (including cable television), drainage, access, subterranean irrigation lines, eave and balcony overhangs.

Section 2. Easement for Ingress and Egress: Declarant reserves the right to grant an easement for ingress and egress across Lot 15, Block 20 and the northerly 35 feet of Lot 25, Block 20, Two Rivers Subdivision No. 3 for the benefit of the Owners of that certain real property described on Exhibit A (the "Benefited Property") attached hereto which said easement shall be for the limited purpose of ingress and egress of pedestrian and vehicular traffic and such other uses as are ordinarily and necessarily associated with a maximum of three single family residential dwellings only, and no others. At such time as any Owner of the Benefited Property, or any portion thereof, shall commence use of the easement contemplated herein, such Owner, and the portion of the Benefited Property owned by such Owner, shall be subject to the provisions of Article III, Section 3 of this Third Supplement.

ARTICLE VII: MAINTENANCE RESPONSIBILITY

The Association shall provide maintenance to and be responsible for the Common Areas and any improvements thereon, including the private streets, streetlights, security gates, drainage facilities related to said private streets, and any landscaping improvements. In furtherance thereof, the Association shall create and maintain a reserve fund for the purpose of the maintenance and repair of the private streets and related drainage facilities. The covenants contained in this Article VII may not be modified without the express consent of the City of Eagle. Except as expressly set forth herein, the provisions of Article X of the Master Declaration shall remain in full force and effect.

ARTICLE VIII: BUILDING RESTRICTIONS

The provisions of Article XII, Sections 1 through 5 of the Master Declaration, shall be amended to read as follows with respect to the Third Supplement property:

Section 1. Building Type and Size: With the exception of Common Area Lots, no building shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling, which may not exceed thirty-five feet (35') in height, and a private garage for two (2) or more motor vehicles. Each such Dwelling Unit shall contain a minimum of 3000 square feet of interior living space (excluding the garage) and, if the Dwelling Unit is two story, the first floor thereof must contain a minimum of 2000 square feet of interior living space. Each Dwelling Unit may not be occupied by more than one family.

Section 2. Setbacks: No improvements may be constructed or maintained on a Lot within the minimum building setback lines as follows:

Single Level	7.5' side yard; 30' front yard; and 30' rear yard
Two Story	12.5' side yard; 30' front yard; and 30' rear yard
Transitional	7.5' single story side yard; 12.5' two story side yard; 30' front yard; 30' rear yard

In order to protect and preserve view corridors on the lakes and ponds, minimum setbacks shall be required from the ordinary high water mark of any pond or lake to be established by the Architectural Control Committee, on a case by case basis, at the time of plan review for each Dwelling pursuant to the provisions of Article IX, below, and no improvements may be constructed or maintained within the minimum setback so established. No improvements may be constructed or maintained on a Lot within the minimum building setback lines as provided for by the Eagle City Zoning Ordinance in effect at the time of the issuance of the building permit for such Lot.

Section 3. Construction Requirements: Each Dwelling Unit shall have wood siding (redwood, cedar or spruce, which may be painted or stained) or a combination of wood, stone, masonry or masonite true-lap siding with a reveal of 8", 6" or 4". Each Dwelling Unit must have extensive exterior brick, stone or stucco on the front elevation with the front corners wrapped to the next building corner (angle point). Decorative wood applications may serve as alternatives to brick, stone, or stucco on the front elevation as may be approved by the Architectural Control Committee. All roofs shall be comprised of cedar shakes, tile, ornamental copper or such other materials as may be approved by the Architectural Control Committee and shall be of such colors and specifications as may be approved by the Architectural Control Committee. All roofs shall include hips, dormers and/or gutters in order to present heightened architectural features and shall be a minimum 6/12 pitch. The exterior surfaces of each Dwelling Unit shall have such colors as may be approved by the Architectural Control Committee. All fireplace chimneys must be of masonry or metal and, if metal, shall be wrapped with the same materials as exist on other areas of the exterior of the unit to within one-foot (1') of the top cap. Each Dwelling Unit must have at least three (3) exterior lights illuminating the garage door openings, one exterior light for the front entryway, and a photosensitive pole light designed to switch on automatically at sunset and off at sunrise with a minimum bulb power of 60 watts located in the front yard within ten feet (10') of the front boundary line, or such other location as may be approved by the Architectural Control Committee. All driveways shall include a decorative application (for example, brick or stone pavers, washed gravel or stamped concrete) at the entrance from the private street and over a minimum of twenty percent (20%) of the finished surface area. Side entry garages and recessed garage doors are preferred, such that the

garage doors are not the predominant feature of the front elevation of the Dwelling Unit. The interior finish of all garages shall be taped, sanded and painted.

Section 4. Landscaping: Within thirty (30) days after substantial completion or occupancy of the Dwelling Unit located thereon, whichever is earlier, each Lot shall be fully landscaped in accordance with a landscape plan submitted to and approved by the Architectural Control Committee prior to commencement of any landscaping work, which landscape plan shall show, in addition to any other information requested or required by the Architectural Control Committee, the location, type and size of trees, plants, ground cover, shrubs, berms and mounding, grading, drainage, sprinkler system, fences, free-standing exterior lights, driveways, parking areas and walkways. In addition to the foregoing, each Lot shall have fully automatic underground sprinklers in the front, rear and side yard and all turf area shall be comprised of rolled sod. The cost of the front yard landscaping shall be a minimum of five percent (5%) of the gross value of the Dwelling Unit.

Section 5. Fences: No fences, including fences around swimming pools, dog runs or other uses may be permitted except those constructed only of wrought iron, or vegetation, not exceeding the height of five feet (5'), the design, color and location of which shall be approved, in advance, by the Architectural Control Committee. No fence shall extend beyond the front plane of the Dwelling Unit constructed or to be constructed on the Lot.

ARTICLE IX: ARCHITECTURAL CONTROL

Section 1. The Pointe at Two Rivers Architectural Control Committee: In order to protect the quality and value of the homes built on the Third Supplement Property, and for the continued protection of the Owners thereof, a Local Architectural Control Committee, to be known as The Pointe at Two Rivers Architectural Control Committee, is hereby established pursuant to Article XIII, Section 11 of the Master Declaration, consisting of three or more members to be appointed by the Declarant for so long as Declarant owns any Lot, part, parcel or portion of the Third Supplement Property. Thereafter, the members of The Pointe at Two Rivers Architectural Control Committee are to be appointed by the Board of Directors of the Association at each annual meeting of the Board.

Section 2. Approvals Required: No building, fence, wall, patio cover, window awning or other structure or landscaping improvements of any type shall be commenced, built, constructed, placed, or maintained upon any Lot, Common Area or other portion of the Third Supplement Property, nor shall any exterior addition, change or alteration of existing improvements be made, until the plans and specifications showing the nature, kind, shape, configuration, height, materials, location and such other detail as The Pointe at Two Rivers Architectural Control Committee may require, shall have been submitted to and approved in writing by The Pointe at Two Rivers Architectural Control Committee as to harmony of

external design and location in relation to surrounding structures and topography and as to conformity with requirements of this Third Supplement and the Master Declaration. Thus, all proposals, plans and specifications for improvements shall not require the approval of the Architectural Control Committee of the Master Association. Except as specifically modified herein each provision of Article XIII of the Master Declaration shall apply with respect to the powers, duties, and obligations of The Pointe at Two Rivers Architectural Control Committee as if the same were set forth herein in full.

ARTICLE X: INSURANCE AND BOND

Section 1. Required Insurance: The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Idaho. The provisions of this Article shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required hereunder in such amounts and in such forms as the Association may deem appropriate from time to time.

- A. A multi-peril-type policy covering any Common Area improvements, providing as a minimum fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost).
- B. A comprehensive policy of public liability insurance covering all of the Common Areas, commercial spaces and public ways in the Third Supplement Property. Such insurance policy shall contain a severability of interest endorsement which shall preclude the insurer from denying the claim of a Dwelling Unit Owner because of negligent acts of the Association or other Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. If the Third Supplement Property contain more than one hundred (100) Units, coverage shall be for at least \$1,000,000 per occurrence, for personal injury and/or property damage.
- C. Workmen's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

Section 2. Optional Insurance: The Association may obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Idaho.

- A. Liability insurance affording coverage for the acts, errors and omissions of its directors and officers, including members of The Pointe at Two Rivers Architectural Control Committee and other committees as may be appointed from time to time by the Board of Directors of Association in such amount as may be reasonable in the premises.
- B. The Association may obtain bonds and insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the protection of the Properties, including any personal property of the Association located thereon, its directors, officers, agents, employees and association funds.

Section 3. Additional Provisions: The following additional provisions shall apply with respect to insurance:

- A. Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual Owners or their mortgages.
- B. Each policy of insurance obtained by the Association shall, if possible, provide: A waiver of the insurer's subrogation rights with respect to the Association, its officers, the Owners and their respective servants, agents and guests; that it cannot be canceled, suspended or invalidated due to the conduct of any agent, officer or employee of the Association without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Owners.
- C. All policies shall be written by a company licensed to write insurance in the state of Idaho and all hazard insurance policies shall be written by a hazard insurance carrier holding financial rating by Best's Insurance Reports of Class VI or better.
- D. Notwithstanding anything herein contained to the contrary, insurance coverage must be in such amounts and meet other requirements of the Federal Home Loan Mortgage Corporation.

ARTICLE XI: ANNEXATION

Section 1. Time for Annexation; Land Subject to Annexation: Declarant hereby reserves the right to annex any abutting, adjoining or contiguous real property, into The Pointe at Two Rivers (the "Project") by recording a Notice of Annexation or Supplemental Declaration particularly describing the real property to be annexed and added to the Project created by this Third Supplement, pursuant to the provisions of this Article.

Upon the recording of a Notice of Annexation containing the provisions set forth in this Section (which Notice may be contained within a Supplemental Declaration affecting such property), except as may be provided for therein, the covenants, conditions and restrictions contained in this Third Supplement and the Master Declaration shall apply to the added land in the same manner as if it were originally covered by this Third Supplement and originally constituted a portion of the Project; and thereafter, the rights, privileges, duties and liabilities of the parties to this Third Supplement with respect to the added land shall be the same as with respect to the original land, and the rights, privileges, duties and liabilities of the Owners, lessees and occupants of Lots and Units within the added land shall be the same as in the case of the original land. Notwithstanding the foregoing, any Supplemental Declaration may provide a special procedure for amendment of any specified provision thereof, e.g., by a specified vote of only the owners of Dwelling Units within the area subject thereto. Any provision of a Supplemental Declaration for which no special amendment procedure is provided shall be subject to amendment in the manner provided in this Third Supplement.

Section 2. Procedure for Annexation: Any of the above-described real property may be annexed into the Project by the recordation of a Notice of Annexation executed by Declarant and containing the following information:

- A. A reference to this Third Supplement, which reference shall state the date of recordation hereof and the Recorder's instrument number or the book and page of the official records of Ada County where this Third Supplement is recorded;
- B. An exact legal description of the added land;
- C. A statement that the provisions of this Third Supplement shall apply to the added land, except as set forth therein; and
- D. A statement of the use restrictions applicable to the annexed property, which restrictions may be the same or different from those set forth in this Third Supplement.

ARTICLE XII: GENERAL PROVISIONS

Section 1. Amendment: The covenants and restrictions of this Third Supplement shall run with the land and shall inure to the benefit of and be enforceable by the Association or the legal Owner of any Lot subject to this Third Supplement or the Master Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date the Master Declaration was recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. Except as otherwise provided herein, any of the covenants and restrictions of this Third

Supplement, except the easements herein granted, may be amended by an instrument signed by members of the Association entitled to cast not less than sixty-six and two-thirds percent (66-2/3%) of the votes of membership. Any amendment must be recorded.

Section 2. Assignment by Declarant: Any or all rights, powers and reservations of Declarant herein contained may be assigned to an Association or to any other corporation or association which is now organized or which may hereafter be organized and which will assume the duties of Declarant hereunder pertaining to the particular rights, powers and reservations assigned, and upon any such corporation or association evidencing its intent in writing to accept such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. All rights of Declarant hereunder reserved or created shall be held and exercised by Declarant alone, so long as it owns any interest in any portion of said property.

The covenants, conditions and restrictions contained in this Third Supplement are in addition to the covenants, conditions and restrictions contained in the Master Declaration, except insofar as the covenants, conditions and restrictions contained therein are herein modified. It is specifically intended that all provisions of the Master Declaration not inconsistent herewith be by this reference incorporated herein as if set forth in full. The provisions set forth in this Third Supplement shall, however, control and prevail over any conflicting provisions contained in the Master Declaration.

IN WITNESS WHEREOF, the Declarant has caused its corporate name to be hereunto subscribed and its corporate seal affixed this 31st day of October, 2001.

DECLARANT:

T R Company, LLC

By 
Dennis M. Baker, Manager

