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Index to: DECLARATION OF COVENANTS

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**FOURTH AMENDMENT
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

FOR

***RIVER RIM RANCH
PLANNED UNIT DEVELOPMENT
DIVISION I AND DIVISION II***

- SEPTEMBER, 2010 -

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Exhibits:

- Exhibit A - Description of River Rim Ranch Common Interest Community
- Exhibit B - Description of Golf Course Land
- Exhibit C - Declaration of Golf Course Play and Operational Easement
- Exhibit D - Notice of River Rim Ranch Foundation Contribution

**FOURTH AMENDMENT
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR**

**RIVER RIM RANCH
PLANNED UNIT DEVELOPMENT
DIVISION I AND DIVISION II**

THIS MASTER DECLARATION OF PROTECTIVE COVENANTS FOR RIVER RIM RANCH (the "Master Declaration"), is made and entered into this 28th day of Sept, 2010 by BIG SKY WESTERN BANK of Bozeman, Montana (the "Declarant") pursuant to the amendment procedures and provisions contained and set forth in the previous Master Declarations of Covenants, Conditions and Restrictions which documents are dated the 11th day of May, 2004, and filed of record in the office of the Teton County Clerk and Recorder as Instrument No. 161134, First Amendment No. 180228 dated September 5, 2006, Second Amendment No. 184971 dated February 12, 2007, Third Amendment No. 211073 dated May 6, 2010, which by this reference are fully and completely incorporated herein as follows:

RECITALS

WHEREAS, these Covenants are hereby modified, amended, clarified, and supplemented as follows:

1. Big Sky Western Bank of Bozeman, Montana is now the record owner of River Rim Ranch and the Declarant. All reference throughout this Master Declaration of Covenants, Conditions and Restrictions now reflects Big Sky Western Bank ("BSWB") of Bozeman, Montana as the Declarant with this Fourth Amendment.
2. The definition of Supplemental Declaration and provisions for Declarants's Reserved Rights have been revised with this Fourth Amendment.

WHEREAS, on 28th Sept., 2010, the undersigned being the majority owner of the record real property within River Rim Ranch Planned Unit Development Division I and Division II according to the official plat thereof and on file and of record in the office of the Teton County Clerk and Recorder, is desirous of amending and clarifying said document. The Master Declaration of Protective Covenants, Conditions and Restrictions is hereby superseded by this Fourth Amendment to the Master Declaration of Covenants, Conditions and Restrictions for River Rim Ranch Planned Unit Development Division I and Division II and is hereby stated.

Therefore, from this 28 day of Sept., 2010, forward, this Fourth Amendment to the Master Declaration of Covenants, Conditions and Restrictions for River Rim Ranch Planned Unit Development Division I and II take precedence and become enforceable.

IN WITNESS WHEREAS, Declarant has executed this as the Master Declaration as of this 25th day of September, 2010.

OWNER:

DECLARANT:

BIG SKY WESTERN BANK

BIG SKY WESTERN BANK

By: Don Chery
Don Chery *VP Director Bancorp Inc.*
Director *BSWB*

By: Don Chery
Don Chery *VP Director Bancorp Inc.*
Director *BSWB*

DECLARATION

This Master Declaration of Covenants, Conditions and Restrictions ("Master Declaration") regulating and controlling the use and development of certain real property as hereinafter described is made to be effective this _____ day of _____, 2010, by Big Sky Western Bank ("BSWB") of Bozeman, Montana, referred to as "Declarant," and Big Sky Western Bank, the majority owner of lots of River Rim Ranch Divisions I and II (RRR) in accordance with the Plat as on file and of record in the office of the Clerk of Teton County, Idaho and which shall hereinafter be referred to as the "Property." The Property is of high scenic and natural value, and Declarant is adopting the following Covenants, Conditions and Restrictions to preserve and maintain the natural character and value of the Property for the benefit of all Owners of the Property or any part thereof.

NOW THEREFORE, Declarant hereby declares that all of the Property described shall be owned, held, sold, conveyed, encumbered, leased, used, occupied and developed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and, which shall run with the real Property and be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors, assigns including granted right of use for individuals by Declarant, and including individuals in future areas of annexation by Declarant and shall inure to the benefit of each Owner of any part thereof.

This Fourth Amendment to the Master Declaration of Covenants, Conditions and Restrictions (Master Declaration) is limited to the two clarifications listed above, otherwise the Third Amendment language is unchanged throughout this Fourth Amendment Document.

ARTICLE I DEFINITIONS

Section 1.1. "Accessory Dwelling Unit" means any separately occupiable apartment (containing a separate kitchen and outside entrance) that may be attached to a Unit or attached to or detached from a residence constructed on a Lot, if such Lot or Unit has been designated for an Accessory Dwelling Unit by the PUD for River Rim Ranch and on the applicable Plat or Map. For purposes of this Master Declaration, an Accessory Dwelling Unit shall be considered a legally undivided part of the Lot or Unit upon or in which said Accessory Dwelling Unit is located, and all references to a Lot or Unit shall be deemed to include any Accessory Dwelling Unit located thereon or therein.

Section 1.2 "Board" shall mean the Board of Directors of the Master Association, the nonprofit corporation established to administer and enforce the terms and conditions of this Declaration as set forth herein.

Section 1.3 "Caretaker Apartment" means any separately occupiable apartment (containing a separate kitchen and outside entrance) that may be attached or detached from a residence constructed on a residential Lot. Caretaker Apartments may not contain more than 1,200 square feet and will only be permitted on residential lots. For purposes of this Master Declaration and any Supplemental Declaration, a Caretaker Apartment shall be considered a legally undivided part of the Lot or Unit upon or in which said Caretaker Apartment is located, and all references to a Lot or Unit shall be deemed to include any Caretaker Apartment located thereon or therein. All structures shall be contained within the building envelope areas.

Section 1.4 "Committee for Design Review" means the Committee provided for in Article IV in this Master Declaration.

Section 1.5 "RRR Common Interest Community" shall mean the River Rim Ranch Common Interest Community described on attached Exhibit A and any additional real property which may from time to time be annexed to the Common Interest Community and made subject to this Master Declaration of Covenants, Conditions and Restriction by supplemental declaration and supplemental plat or map, including all lots, units, master common areas, sub-association common areas, common elements and limited common elements, if any, together with all improvements and other amenities now or hereafter located thereon, and together with all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto. If any property is subsequently withdrawn from the RRR Common Interest Community pursuant to the provisions of this Master Declaration, the term "RRR Common Interest Community" shall thereafter not include said withdrawn property.

Section 1.6 "Common Expenses" shall mean any expenditures made or liabilities incurred by or on behalf of the Master Association, together with any allocations to reserves, including, but not limited to the following:

- (a) The costs of maintenance, management, operation, repair and replacement of the Master Common Areas and the Limited Common Areas, and of all other parts of the RRR Common Interest Community which are managed or maintained by the Master Association, but excluding any areas being managed or maintained at the expense of a Sub-association;
- (b) The costs of improvements constructed from time to time by the Master Association upon, or in, connection with Master Common Areas or Limited Common Areas, if such costs were included within a duly adopted Budget;
- (c) Unpaid assessments;
- (d) The costs of management and administration of the Master Association, including, but not limited to, compensation paid by the Master Association to managers, accountants, attorneys and employees;
- (e) The costs of utilities and services (including, but not limited to, treated or untreated water, electricity, gas, sewer, trash pick-up and disposal and recycling), which are provided to the Master Association or the RRR Common Interest Community and not individually metered or assessed to Lots or Units, landscaping maintenance, and other services which generally benefit and enhance the value and desirability of the RRR Common Interest Community and which are provided by or on behalf of the Master Association, but excluding any such utilities or services that may be provided by a Sub-association;
- (f) The costs of insurance maintained by the Master Association as required or permitted herein, but excluding any insurance maintained by a Sub-association;
- (g) Reasonable reserves for contingencies, replacements and other proper purposes as deemed appropriate by the Executive Board to meet anticipated costs and expenses including, but not limited to, maintenance, repair and replacement of those Master Common Areas or Limited Common Areas which must be maintained, repaired or replaced on a periodic basis;
- (h) The costs of maintaining the yards and/or Common Area Community for the Cabins and Chalet areas or other specific use areas such as the West Rim Village area and Teton Rim Golf Village;
- (i) The costs of bonding the members of the Executive Board, the officers of the Master Association, any professional managing agent or any other person handling the funds of the Master Association;
- (j) Taxes paid by the Master Association;
- (k) Amounts paid by the Master Association for discharge of any lien or encumbrance levied against the Master Common Areas or Limited Common Areas or portions thereof;

(l) The costs incurred by the CDR and by any other committees that may be established from time to time by the Executive Board;

(m) The costs of any security systems or services that may be installed, operated or contracted for by the Master Association for the benefit of the RRR Common Interest Community;

(n) The costs of maintaining, operating and replacing recreational, cultural, health-related or similar facilities or enterprises available to or for the benefit of all or a portion of the RRR Common Interest Community and such other users as may be authorized by this Master Declaration or by the Executive Board from time to time; and

(o) Other expenses incurred by the Master Association for any reason whatsoever in connection with the Master Common Areas or the Limited Common Areas, or the costs of any other item or service provided or performed by the Master Association pursuant to this Master Declaration, any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, or Master Design Guidelines and Regulations, or in furtherance of the purposes of the Master Association or in the discharge of any duties or powers of the Master Association.

Section 1.7 “Common Roads” shall mean the private roadways within the property which provide access to individual lot lines and common amenities.

Section 1.8 “Common Services” shall mean the roadway maintenance and snow removal services for the common roads, common landscape, irrigation, and facility care and operations, utility line maintenance, and care maintenance and operation of areas and facilities defined as Master Common Areas by the Declarant.

Section 1.9 “Condominium” means any part of the RRR Common Interest Community in which portions of the real estate (i.e., Units) are designated for separate ownership and the remaining real estate is designated for common ownership in undivided interests solely by the Owners of said Units.

Section 1.10 “Declarant” means Big Sky Western Bank (“BSWB”) being the Owner, its successors, assigns, and affiliates. A Person shall be deemed to be a “successor and assign” of Declarant if specifically designated in a duly recorded instrument as a successor or assign of Declarant under this Master Declaration and shall be deemed a successor and assign of Declarant under this Master Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Master Declaration which are specifically designated in that written instrument.

Section 1.11 “Development” shall mean any alterations of the natural land surface, and all buildings, structures or other site improvements placed on the land to accommodate the use of a lot.

Section 1.12 “Executive Board” shall mean the Executive Board of the Master Association.

Section 1.13 “Farm/Ranch Conservation Unit” shall mean land designated to promote and preserve agricultural practices, which includes residential building sites in addition to restricted agricultural lands as described in Article X herein.

Section 1.14 “Golf Course Play and Operational Easement” (Exhibit C) shall mean that certain declaration by Declarant in favor of the Golf Owner recorded in the Office of the Clerk and Recorder of Teton County, Idaho, which instrument reserves, creates, and establishes for the benefit of the Golf Owner and the Golf Land, certain easement rights over and across and restrictions upon portions of the RRR Common Interest Community, all as more particularly described therein.

Section 1.15 “Golf Land” shall mean that certain property adjacent to the RRR Common Interest Community which is owned by the Golf Owner. In no event shall the Golf Land be deemed to be a part of the RRR Common Interest Community, or be burdened by this Master Declaration. Golf Land is shown on the Division II Master Plan Plat as open space and totals approximately 314[±] acres. Notwithstanding the above, use and enjoyment of the Golf Land is subject to the open space dedication for open spaces of River Rim Ranch Division II as recorded with the Clerk of Teton County, Idaho which includes the following provisions:

1. The open space is dedicated open space for the visual enjoyment of the general public.
2. The golf course and other open space facilities are for public use subject to published annual green fees and other recreational use fees.
3. The open space will be controlled and maintained by River Rim Ranch Master Association including elimination of noxious weeds, fire hazards and other nuisances.
4. The River Rim Ranch Division II Master Declaration of Covenants, Conditions and Restrictions and the Development Agreement as filed in the office of the Clerk of Teton County, Idaho concurrently with the River Rim Ranch Division II Master Plan Plat, will be the binding documents governing said designated open spaces.

Section 1.16 “Golf Owner” shall mean the record owner from time to time of the Golf Land, and its successors and assigns.

Section 1.17 “Improvements” means any improvements, structural or otherwise, alterations, additions, repairs, excavation, grading, landscaping or other work which in any way alter any property within the RRR Common Interest Community, or the improvements located thereon, from its natural or improved state existing on the date this Master Declaration or a Supplemental Declaration for such property was first recorded, including but not limited to, dwelling units, buildings, outbuildings, additions, swimming pools, patio covers, awnings, the painting or other change of any exterior surfaces of any visible structure, walkways, outdoor sculptures or art work, sprinkler or irrigation systems, garages, carports, roads, driveways, parking areas, ponds, ditches, fences, screening walls, retaining walls, stairs, decks, flag poles, fixtures, landscaping (including the addition, alteration or removal of any tree, shrub or other vegetation), hedges, windbreaks, plantings, planted trees and shrubs, gardens, poles, signs, tanks, solar equipment, wind harnessing or other

energy generating equipment, exterior air conditioning, water softener fixtures, utilities, antennae and satellite dishes or receivers. Once an Improvement has been constructed or accomplished on a property within the RRR Common Interest Community, any subsequent alteration of or addition to or removal of that Improvement shall constitute an "Improvement" hereunder.

Section 1.18 "Lease" means and refers to any agreement for the leasing, rental, use of occupancy of a Unit, a residential dwelling located on a Lot, or an Accessory Dwelling Unit, within the RRR Common Interest Community. The required terms and procedures for Leases are more particularly set forth in Section 5.19 below.

Section 1.19 "Limited Common Area" means a Common Area that is designated by this Master Declaration, by a Supplemental Declaration, on the Plat, or on a Supplemental Plat, for the exclusive use of one or more Lots in the RRR Common Interest Community but fewer than all of the Lots.

Section 1.20 "Limited Common Elements" means a portion of the Common Elements in a Condominium allocated by the Supplemental Declaration or the amendment or the Map by which said Condominium is created for the exclusive use of one or more Units in the Condominium but fewer than all of the Units.

Section 1.21 "Lot" shall mean and refer to any of the single family residential plots of land described above and shown upon that certain recorded Final Subdivision Plat of the Property filed by the Declarant in the Office of the Teton County Clerk & Recorder.

Section 1.22 "Master Association" means the River Rim Ranch Master Association, an Idaho non-profit corporation, its successors and assigns.

Section 1.23 "Master Common Areas" means all real property interests (not just fee title and leasehold interests) within the RRR Common Interest Community and the Improvements and amenities and personal property thereon or therein or associated therewith which may from time to time be owned, leased or maintained by the Master Association or otherwise held by the Master Association for the use, enjoyment and benefit of the Owners and Occupants and such other users as may be authorized by this Master Declaration or by the Executive Board from time to time. The Master Common Areas include, but are not limited to, (i) all portions of the RRR Common Interest Community designated in this Master Declaration, or any Supplemental Declaration or on a Plat or any Supplemental Plat as Master Common Area, including M.C.A. Parks, (ii) all Limited Common Areas, (iii) all easements created or reserved on any Plat, Map, or Supplemental Plat or Map, or in this Master Declaration or in any Supplemental Declaration, or in any separate agreement, for the use and benefit of the Master Association, and (iv) any water rights, ditch rights and/or water facilities (or interests therein) that may be owned or leased by the Master Association or which the Master Association may be entitled to use. With the exception of easements which the Master Association may be entitled to use. With the exception of easements which are Master Common Areas, the Master Common Areas do not include the Lots, Units, or Public Parks, or the improvements constructed thereon, and are subject always to all Permitted Exceptions.

Notwithstanding that yards, residence exteriors and roofs on certain Lots in the RRR Common Interest Community are maintained by the Master Association, such yards, exteriors and roofs are not Master Common Areas.

Section 1.24 “Master Declaration” means this instrument and all Supplemental Declarations, as this instrument and such Supplemental Declarations may be amended from time to time.

Section 1.25 “Master Development Guidelines” also known as “Design Guidelines and Regulations” means the rules, procedures, standards, guidelines and requirements promulgated from time to time by the CDR, and all amendments thereto, governing the review and approval or disapproval of proposed Improvements within the RRR Common Interest Community, the registration of Builders, and such other matters as the CDR considers necessary or appropriate.

Section 1.26 “Member” means each Lot or Unit Owner, including the Declarant. Membership in the Master Association shall be appurtenant to and may not be separated from, ownership of a Lot or Unit.

Section 1.27 “Native Vegetation Transition Zone” shall be those areas designated on certain lots as shown on the Building Envelope Map to remain in its undisturbed natural state. Such areas generally include steep hillsides, rock outcroppings and native trees and shrub areas. This Map will be held and administered by the CDR of the Master Association.

Section 1.28 “Occupant” means any person who is a tenant in a Unit, a residence on a Lot, an Accessory Dwelling Unit or a Caretaker Apartment, pursuant to a Lease with the Owner thereof. “Occupant” also means any person who is present within the RRR Common Interest Community as a family member, guest or invitee of an Owner, an Occupant, the Declarant, or the Master Association.

Section 1.29 “Owner” shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any lot, including contract buyers and Owners of a beneficial interest, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.30 “Pedestrian Trails” shall be common trails depicted on the Master Plan for River Rim Ranch Divisions I and II.

Section 1.31 “Principal Residence” shall mean the single family residential structure, constructed on any lot of the Property, which is the principal use of such lot, and to which other authorized structures on such lot are accessory such as barns, outbuildings and guest homes, or other structures authorized and controlled within this Master Declaration of Covenants, Conditions and Restrictions.

Section 1.32 “Regular Assessment” means a charge against an Owner and the Owner’s Lot or Unit for purposes of covering the annual costs of operating and administering the Master Association and all other Common Expenses. Regular Assessments are based on a budget adopted by the Executive Board in accordance with Article XII below, and are allocated to the Lots and Units in accordance with the Allocated Interests, except that Common Expenses that benefit fewer than all of the Lots or Units shall be allocated exclusively to the Lots or Units benefitted.

Section 1.33 “Reimbursement Assessment” means a charge against a particular Owner and the Owner’s Lot or Unit for purpose of reimbursing the Master Association for costs and expenses incurred by the Master Association in connection with the enforcement of any provision hereof or the remedying of any violation by the owner or an Occupant of this Master Declaration or any amendment hereto or any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, or Master Development Guidelines, or any approvals granted by the CDR or for other purposes set forth in the Master Declaration, pursuant to Article XII, Section 1 hereof, together with late charges and interest as provided for herein. Reimbursement Assessment shall include without limitation any Common Expense caused by the misconduct of any Lot or Unit Owner or of such Owner’s occupants.

Section 1.34 “Special Assessment” means a charge against an Owner and the Owner’s Lot or Unit for purposes of reimbursing the Master Association for costs and expenses incurred or to be incurred by the Master Association for the purpose of paying for the construction, reconstruction, repair or replacement of capital improvements to the RRR Common Interest Community, the costs of which were not included in a Regular Assessment, or for excess reconstruction costs or other extraordinary expenses, as authorized by the Executive Board from time to time as provided herein.

Section 1.35 “Sub-Association” means any Idaho non-profit corporation, and its successors and assigns, organized and established by Declarant pursuant to or in connection with any Supplemental Declaration.

Section 1.36 “Sub-Association Common Area” means all real property interests (not just fee title leasehold interests) and the Improvements or amenities and personal property thereon which may from time to time be owned, leased or maintained by a Sub-Association or otherwise held by a Sub-Association for the use, enjoyment and benefit of the members of such Sub-Association.

Section 1.37 “Structure” shall mean anything built or placed on the ground, excluding fences and ground level features such as pathways or low profile patios contiguous to homes.

Section 1.38 “Supplemental Declaration” means an amendment to this Master Declaration which annexes, contracts, and/or transfers to third parties real property within the RRR Common Interest Community, subjects such real property to this Master Declaration, and sets forth amendments to the Master Declaration and additional covenants, conditions, uses and restrictions or special provisions as may be applicable to the annexed, contracted, and/or transferred area,

executed by Declarant and recorded in the Office of the Clerk and Recorder of the County, and any recorded amendments thereto. Any acts described in a Supplemental Declaration shall comply with Teton County Subdivision Regulations.

Section 1.39 "Supplemental Plat" means any land survey plat which is recorded by Declarant for the purpose of annexing the real property described therein to the RRR Common Interest Community, and any recorded amendments to such Supplemental Plat. Supplemental Plats shall include, without limitation, those final Plats of subsequent phases of River Rim Ranch, or those portions of such final Plats, as are made subject to this Master Declaration from time to time by Supplemental Declaration.

ARTICLE II MASTER ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 2.1 Master Association Membership. Every Owner of a lot shall be a member of the Master Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2.2 Voting Rights. The Master Association shall have one class of voting membership. The 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 among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Except as may otherwise be provided in the Bylaws, a quorum is deemed present throughout any meeting of the Members of the Master Association if persons entitled to cast at least twenty percent (20%) of the votes in the Master Association are present, in person or by proxy, at the beginning of the meeting. A proxy shall terminate eleven months (11) after its date unless a different termination date is otherwise set forth on its face.

Provided a quorum of Members so present shall constitute approval of any matter voted upon unless a different number is required on a particular matter by the Act, this Master Declaration, any Supplemental Declaration, the Articles, or the Bylaws.

ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENTS

Section 3.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner of any lot by acceptance of a deed consents to the creation of a lien against the Owner's real property to the extent of non-payment of any assessment for maintenance or otherwise levied by the Master Association, therefore, whether or not it shall be so expressed in such deed, is deemed to have consented to be subject to this Master Declaration and agrees to pay to the Master Association:

1. Regular Assessments or charges;
2. Special Assessments, and
3. Reimbursement Assessments, such assessments to be established and collected as herein provided pursuant to Article XI.

The assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land, shall be the personal obligation of the entity or person who was the Owner of such property at the time when the assessment fell due, and shall be a continuing lien upon the property against which each such assessment is made.

ARTICLE IV MASTER COMMON AREAS DESIGN/PROPERTY USE REGULATIONS

Section 4.1 Use and Enjoyment of Master Common Areas. Except as otherwise provided in this Master Declaration or in any Supplemental Declaration, each Owner shall have the non-exclusive right to use and enjoy the Master Common Areas in common with all other Owners (a) for all purposes for which such Master Common Areas were established, and (b) as required for purposes of access and ingress to and egress from (and use, occupancy and enjoyment of) any Lot or Unit owned by the Owner or Master Common Areas available for the Owner's use. The right to use and enjoy the Master Common Areas shall extend to each Owner, Occupant, and the family members, guests, and invitees of each Owner, and to such other users as may be authorized by this Master Declaration or by the Executive Board from time to time, and shall be appurtenant to each Lot or Unit, subject at all times to the provisions of this Master Declaration (including Declarant's reserved rights hereunder), any applicable Supplemental Declaration, the Articles, Bylaws, and Master Rules and Regulations. Use of the Master Common Areas is also subject to any applicable terms of the Golf Course Play and Operational Easement.

Section 4.2 Master Association May Regulate Use of Master Common Areas. The Master Association, acting through the Executive Board, shall have the right and authority to regulate the use of the Master Common Areas by the promulgation, enforcement and interpretation from time to time of such Master Rules and Regulations relating thereto as the Master Association considers necessary or appropriate for the protection and preservation of the Master Common Areas and the enhancement of the use and enjoyment thereof by the Owners and Occupants and other authorized users, subject always to any rights or interests created by the Golf Course Play and Operational Easement (Exhibit C). Without limiting the generality of the foregoing, the Master Rules and Regulations shall contain appropriate guidelines and restrictions, and shall establish reasonable user fees, governing Occupant usage of the recreational amenities within the Teton Rim Club and Golf Club area, it being understood that Occupants do not automatically have any rights or privileges to use such facilities.

The Master Association, acting through the Executive Board, may for good cause suspend the right of any Person to use and enjoy the Master Common Areas and/or the Teton Rim Club or Golf Club area, including the right of a Member who is delinquent in the payment of any

Assessments, and the right of any Member or other authorized user who is in violation of the terms and provisions of this Master Declaration or any Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, Master Design Guidelines or the terms and provisions of any approvals granted by the CDR.

Section 4.3 Master Association to Maintain and Improve Master Common Areas. The Master Association, its agents and employees, shall maintain, snow plow as necessary, and otherwise manage the Master Common Areas (including the Limited Common Areas), including, but not limited to, any Improvements, landscaping, lakes, paths, trails, parking areas, drives, and recreational and other facilities located thereon. The Master Association shall construct, alter and remove such Improvements and landscaping upon the Master Common Areas as the Master Association in its discretion considers necessary, desirable or appropriate from time to time, and shall do all such other and further acts which the Executive Board deems necessary or appropriate to preserve, protect and enhance the Master Common Areas and the beauty thereof in accordance with the general objectives for the RRR Common Interest Community reflected in this Master Declaration. Separate bids shall be let for the maintenance of Limited Common Areas so that the costs thereof can be assessed exclusively to the Lots benefitted thereby.

Section 4.4 No Partition of Master Common Areas. No Owner or other Person shall have any right to partition or to seek the partition of the Master Common Areas or any part thereof.

Section 4.5 Residential Use and Occupancy. Each Lot or Unit shall be improved, occupied and used only for single-family residential purposes, and a Caretaker or Accessory Dwelling Unit may be built and occupied upon or in a Lot or Unit designated therefore. Caretaker Apartments are strictly limited to occupancy by no more than two (2) adults and the children of one or both of said adults. If leased, Accessory Dwelling Units are strictly limited to occupancy by no more than two (2) adults and the children of one or both of said adults.

No structures whatsoever, other than those permitted by the PUD for River Rim Ranch or by other applicable Teton County zoning regulations and approved in writing by the CDR, shall be erected, placed or permitted to remain on any Lot. No office, business and/or commercial structures shall be permitted within the Common Interest Community except in those areas where such uses are allowed by applicable provisions of the PUD for River Rim Ranch. No business, professional or other non-residential or commercial use shall be made of any Lot or Unit, or conducted in any Unit or in any residence constructed on a Lot, excepting in-home businesses or occupations which do not involve (i) more than one non-Owner, non-resident employee, (ii) the solicitation or invitation of the general public, or (iii) the servicing of customers, and which activities are conducted entirely within the Common Interest Community or otherwise create a nuisance for neighboring Lots or Units or the Common Interest Community. No equipment or materials incident to any business or occupation (whether conducted within the Unit or residence or duplex, or elsewhere) shall be kept or stored on any Lot or Unit except within the Unit, residence, duplex, garage, barn, or other outbuilding approved by the CDR.

Section 4.6 New Construction Required; No Temporary Buildings or Occupancy. All Improvements constructed within or placed upon the Common Interest Community shall be new. No used or temporary house, structure, or non-permanent out-building shall ever be placed, erected

or allowed to remain within the Common Interest Community except temporary structures or construction trailers used for construction purposes during the construction of a residence, which temporary facilities shall be removed immediately following completion of construction and in any event no later than eighteen (18) months following commencement of construction or remodeling unless a written extension is granted by the CDR.

Section 4.7 Committee for Design Review. A Committee for Design Review (CDR) is hereby created as a subcommittee of the Master Association. The CDR is established to coordinate, expedite, and assure fair and equitable implementation of the Master Design Review Guidelines and Master Declaration of Protective Covenants. The powers, duties, and procedures of the CDR are set forth in the Bylaws of the Master Association and Master Declaration and Master Design Guidelines and Regulations as may be amended from time to time.

Section 4.8 Membership of CDR. The members of the CDR shall be the members of the Board of Directors of the Master Association according to the terms set forth in this Master Declaration. The initial members shall be Roger Hoopes, Brent Hoopes, and Mike Potter.

Section 4.9 River Rim Ranch Design/Property Use Regulations. The River Rim Ranch Master Design Guidelines and Regulations, Division I and Division II are hereby adopted and incorporated in this Master Declaration as Appendix I. The owner of each residential lot shall comply with the CDR, Master Declaration and Master Design Guidelines and Regulations in all respects. The Declarant will be responsible for the architectural design of the common buildings and cabins.

Section 4.10 Owner Liability for Owner or Occupant Damage to Master Common Areas. Each Owner shall be liable to the Master Association for any damage to Master Common Areas or for any expense, loss or liability suffered or incurred by the Master Association in connection with the Master Common Areas arising from (a) the negligence or willful misconduct of such Owner or of any Occupant, agent, employee, family member, guest or invitee of such Owner, or (b) any violation by such Owner or any Occupant, agent, employee, family member, guest or invitee of such Owner of any law, regulation, or code, including without limitation any environmental law, or of any provisions of this Master Declaration, any Supplemental Declaration, or the Master Rules and Regulations relating to the Master Common Areas. Each Owner shall indemnify, defend and hold the Master Association harmless from any loss, damage, expense or liability arising from the circumstances described in subsections (a) or (b) immediately above. The Master Association shall have the power to levy and collect a Reimbursement Assessment against a Lot or Unit Owner to recover the costs, expenses, damages, losses or liabilities incurred by the Master Association as a consequence of any such negligence, a willful misconduct or violations.

Section 4.11 Damage or Destruction to Master Common Areas. In the event of damage to or destruction of the Master Common Areas, including Improvements thereon, by fire or other casualty, the Master Association shall repair or replace the same. Repair, reconstruction, or replacement of Master Common Areas shall be accomplished under such contracting and bidding procedures as the Master Association shall determine are appropriate. If insurance proceeds available to the Master Association on account of damage or destruction exceed the cost of repair,

reconstruction, and replacement, the Master Association may use the same for future maintenance, repair, improvement, and operation of Master Common Areas or for any other use deemed appropriate by the Executive Board.

Section 4.12 Condemnation of Master Common Areas. If any Master Common Area or part thereof or interests therein is taken under exercise of the power of eminent domain or by purchase in lieu thereof, the portion of any award in condemnation or the price payable for the deed in lieu that is attributable to the Master Common Area taken or purchased shall be paid to the Master Association. The Master Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners and Occupants and other persons therein. Any award or funds received by the Master Association shall be held by the Master Association for the purposes stated in Section 4.11 above or as a reserve for future maintenance, repair, reconstruction, or replacement of Master Common Areas or may be used for Improvements or additions to or operation of Master Common Areas or for such other uses as may be deemed appropriate by the Executive Board. Except as may otherwise be provided by the Act, no Owner or other person shall be entitled to participate as a party or otherwise in any condemnation proceedings nor to receive any proceeds therefrom.

Section 4.13 Lake, Pond and Stream Access. The Master Common Areas and the Golf Course Land contains certain streams, lakes, and ponds which have been provided for the use and enjoyment of owners and guests. These streams, lakes, and ponds are located throughout the property and are adjacent to, or part of, the golf course, residential lots, and common areas. Because of the proximity to golf course play or residential lots, access must be controlled. Stream, lake and pond edge access areas have been designated in three categories: 1) common access; 2) local access; 3) no access. Common access refers to areas in which access is granted to all owners and guests. Local access refers to areas in which access is granted to owners and guests whose property is located approximate to that particular stream, pond or lake. No access refers to areas in which access is not allowed for health or safety reasons such as lake edges that are in golf course play.

The Master Rules and Regulations define the lake, pond and stream access points on a map contained as an exhibit thereto. Such map and defined accesses may be changed from time to time with the consent of the Declarant.

Section 4.14 Declarant Activities. Nothing contained in this Master Declaration is intended or shall be construed to prevent or to restrict in any way Declarant's right and ability to develop, improve, maintain, repair, regulate, operate, administer, manage, market, sell, lease, encumber or dispose of the RRR Common Interest Community, the Lots, the Units, the Master Common Areas, or any part thereof, including the right to construct Improvements and install signs thereon, all in the complete discretion of Declarant.

ARTICLE V
ADDITIONAL COVENANTS - COMMON AREAS/OPEN SPACE

Section 5.1 Common Areas. Common open space areas include various parcels of undeveloped land as shown on the Master Plan Plat and included Master Common Areas and Limited Common Areas.

Section 5.2 Use of Common Areas. No property owner shall have the right to occupy or possess any of the Common Open Space Areas by reason of owning a lot in River Rim Ranch.

Section 5.3 Lawn Care and Weed Control. Every lot owner shall be responsible for the care of his or her lot including weed control. If a residence is constructed on a lot, the landscaping shall be installed within a reasonable length of time considering the season. All landscape plans are subject to approval by the CDR. Once installed, the landscaping, including lawn, trees, shrubs, etc., shall be cared for and not allowed to deteriorate or become unsightly and detract from the neighborhood.

Both unimproved and improved lots shall be kept free of weeds. If a lot must be cleared of weeds and the Owner fails to do so after 30-day notice from the Master Association or any persons in the subdivision, the weeds may be cleared and controlled and the cost and expense associated with such weed maintenance shall be assessed the lot and such assessment may become a lien if not paid within thirty (30) days of the mailing of such assessment.

Weeds shall be controlled within the Common Areas by the Master Association.

The control of noxious weeds by the Master Association on those areas for which the Master Association is responsible and the control by individual Owners on their respective lots shall be as set forth and specified under the State of Idaho and County of Teton as the same exist from time to time.

Section 5.4. Ponds. No swimming, boating, or ice skating shall take place on any pond with the Common Areas except as allowed in the RRR Bylaws.

Section 5.5. No Interference with Waterways or Drainage or Irrigation Systems. No Lot or Unit Owner shall construct, install, maintain or permit any fence or other improvement, or obstruction or plant trees or take any other action which damages or interrupts or interferes in any way with (a) the normal flow of water through and along waterways within the Common Areas (b) any irrigation ditch or lateral or other water collection, storage or distribution system within or serving the Common Areas or the Golf Land, or (c) normal drainage patterns within the Common Areas or the Golf Land, subject always to the rights of owners of ditches and other water rights, and the requirements of the CDR.

Section 5.6. Annoying Light, Sounds or Odor. All exterior lighting installed or maintained on any Unit or on any Improvement located on a Lot shall be placed so that the light source is screened or shielded from the residence on any other Lot, from any other Unit and from the

Master Common Areas. No light shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is unreasonably bright or causes unreasonable glare. The Master Design Guidelines may contain standards for exterior lighting including, without limitation, standards for hue and intensity.

No sound shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is unreasonably loud or annoying, and no odor shall be emitted from any part of the Common Interest Community (including any Lot or Unit) which is noxious or unreasonably offensive.

The Executive Board, in its sole discretion, shall have the right and authority to determine the existence of any violation of this Section 5.6 including the reasonableness of any light, sound or odor.

Section 5.7. Noxious or Offensive Activities; Nuisances; Construction Activities; Pesticides. No noxious or offensive activity shall occur or be allowed at any time within the Common Interest Community, nor shall anything be done or placed therein which is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to Owners, Occupants, Declarant or the Master Association, or which interferes with the peaceful enjoyment or possession and proper use of the Common Interest Community, or any part thereof, by Owners or Occupants. As used herein, the term "nuisance" shall apply to any activities of Declarant which are reasonably necessary or appropriate to the development, improvement, maintenance, marketing and/or sale of the Common Interest Community or any part thereof. The Executive Board, in its sole discretion, shall have the right and authority to determine the existence of any nuisance or unreasonable annoyance under this Section 5.7.

Each Owner shall comply with the Master Rules and Regulations and the requirements of all health authorities and other governmental authorities having jurisdiction over the Common Interest Community. Normal construction activities and parking in connection with the building of Improvements on a Lot or Unit shall not be considered a nuisance or otherwise prohibited by this Master Declaration unless they are in violation of the Master Design Guidelines or other requirements of the CDR.

Section 5.8. No Hazardous or Unsafe Activities. No activity shall be conducted on, and no Improvement shall be constructed on, any property within the Common Interest Community which is or might be unsafe or hazardous to any person or Property.

Section 5.9. No Firearms or Hunting. The discharge of firearms on any part of the Common Interest Community (including the Lots and Units) is expressly prohibited. Hunting on any part of the Common Interest Community (including the Lots) is expressly prohibited.

Section 5.10. No Unsightliness; Clothes Drying; Sporting Equipment; Children's Recreational Equipment. All unsightly structures, facilities, equipment, objects, and conditions, including sporting equipment (e.g., skis, snowboards, bikes, mountain bikes, kayaks, etc.) and snow removal, garden or maintenance equipment, except when in actual use, shall be kept in an enclosed

structure or in a screened area approved by the CDR. No laundry or wash shall be dried or hung outside any residence, except on clotheslines that are approved by the CDR and which are effectively screened from view from other Lots or Units and from Master Common Areas and other public areas including streets, bike trails, and the Golf Land.

Equipment intended for children's recreation use, such as swing sets and slides, must also be approved in advance by the CDR. Such equipment need not be screened if it is constructed of natural materials such as wood, stone, metal and natural hemp and if it is painted or stained in earthen tones (natural woods, greens, browns, black, etc.). If such equipment is constructed of non-natural materials such as plastic, or if the equipment is other than earthen tone in color, it must be effectively screened from view from other Lots or Units and from Master Common Areas and public parks and other public areas including streets, bike paths, and the Golf Land. Playground equipment that is treated with hazardous preservatives, including without limitation arsenic, lead, copper, and chromium, shall be prohibited within the Common Interest Community.

Section 5.11. Garbage, Trash and Compost Containers. No refuse, garbage, trash, grass, shrub, or tree clippings, plant waste, scrap, rubbish, or debris of any kind shall be kept, stored, maintained or allowed to accumulate or remain on any Lot or Unit or on the Master Common Areas except temporarily within an enclosed structure within the Building Envelope approved by the CDR, except that any approved container containing such materials may be placed next to the street on the designated morning of garbage collection and must be returned to its enclosed structure that same day, and except that appropriate public trash receptacles shall be permitted within the Common Areas. No garbage containers, trash cans or receptacles shall be maintained in an unsanitary or unsightly condition, and except when placed for pick-up they shall not be visible from another Lot or Unit or the Master Common Areas. All such refuse, garbage, trash, plant waste, scrap materials, rubbish and debris shall be promptly removed from the Common Interest Community and shall not be burned thereon. Compost structures and containers may be placed on a Lot, Unit, or Master Common Areas in locations and in containers approved by the CDR, provided that no such structure or container shall be larger than fifty-five (55) gallons. Garbage structures and containers and compost structures and containers shall also comply with such recommendations as may be made from time to time by the Idaho Division of Wildlife.

Section 5.12. Vehicle Parking, Storage, Operations and Repair.

(a) Permitted vehicles (as defined in subsection (b) below) may be parked on the public streets within the Common Interest Community except in those areas where parking is prohibited by signage. No boats, trailers, campers, motorcycles, snowmobiles, golf carts, or any other similar items shall be parked or stored on the public streets within the Common Interest Community.

(b) No boats, trailers, buses, motor homes, campers (on or off supporting vehicles), motorcycles, snowmobiles, recreational vehicles, golf carts, trucks, industrial or commercial vehicles (both cabs or trailers), abandoned or inoperable vehicles (as defined below), or any other similar vehicles (excepting passenger automobiles and one ton or smaller pick-up trucks) shall be parked or stored in or upon the Master Common Areas or upon a Lot or Unit except within enclosed structures approved in advance by the CDR, and no vehicle of any kind shall be maintained, repaired,

repainted, serviced or rebuilt on the Master Common Areas or on any Lot or Unit except within a completely enclosed garage which fully screens the sight and sound of the activity from the streets and other Lots and Units and Master Common Areas. No more than four (4) permitted vehicles (passenger automobiles and/or one ton or smaller pick-up trucks) shall be parked at any time in the driveway of any Lot or Unit, except during special occasions and then only for the duration thereof, and except for Lots or Units containing Caretaker or Accessory Dwelling Units which are in fact leased out, which Lots or Units may have an additional permitted vehicle in the driveway.

(c) Notwithstanding the foregoing, vehicles may be temporarily parked on driveways on Lots or Units and on public streets within the Common Interest Community for loading, delivery or emergency purposes, but only for the time required to accomplish such purpose, and as necessary for the construction or maintenance of Improvements within the Common Interest Community upon compliance with the Master Design Guidelines and any conditions imposed by the CDR.

(d) An "abandoned or inoperable vehicle" shall mean any motorized vehicle which does not display a current motor vehicle license or which has not been driven under its own propulsion for a period of two (2) weeks or longer (excepting otherwise permitted vehicles parked by Lot or Unit Owners or Occupants on their Lot or Unit driveways while on vacation or during a period of illness), or which does not have an operable propulsion system within the vehicle.

Section 5.13. No Mining or Drilling. No property within the Common Interest Community shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing water, geothermal resources, oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, or earth, except drilling, exploring for, removing or storing underground water by Declarant or the Master Association. Nothing contained herein shall be construed to limit the rights of the owners of mineral interests severed from the surface of any portion of the Common Interest Community prior to recording of this Master Declaration.

Section 5.14. Easements, Utility Companies, Underground Utility Lines. There is hereby created, granted, and reserved to the Master Association, the Declarant and their agents, employees and assigns a perpetual, non-exclusive blanket easement over all Master and Limited Common Areas. All easements shown on a Plat or Supplemental Plat covering any portion of the RRR Common Interest Community have been created or reserved for the purposes indicated on such Plat. No Lot or Unit Owner may erect any structure of any type whatsoever in such easement areas, nor may an Owner or Occupant use the surface of such easement areas for any private use, other than landscaping which will not interfere with the use of said easement by the persons or entities for whose benefit it has been created or reserved and which receives the prior written approval of the CDR.

With respect to easements created for utility purposes or for ditches either by the terms of this Master Declaration or any other recorded agreement or on a Plat, any and all bona fide public and private utility service companies, special utility districts, owners of interests in ditches, and the golf owner to the extent provided in the Golf Land Deed, shall have the right of access, ingress, egress, and use of such easement areas for the installation, operation and maintenance of ditch facilities and utility facilities serving the RRR Common Interest Community and/or the Golf Land.

Section 5.15. Basketball Goals, Tennis Courts. Basketball goals or backboards may be permitted on Lots or Units, provided they comply with the Master Design Guidelines and receive prior written approval from the CDR. Tennis courts shall be prohibited on Cabin and Chalet units.

Section 5.16. Swimming Pools, Spas and Related Equipment. Pools, spas or hot tubs may be erected, constructed or installed on lots or Cabin and Chalet units, provided they comply with the Master Design Guidelines and receive the prior written consent of the CDR. If a pool, spa or hot tub is approved, all service equipment shall be fenced and located in either (a) a side yard between the front and rear boundaries of the residence, or (b) in the rear yard adjacent to the residence, and shall be adequately screened from any street on which the Lot or Unit containing the pool, spa or hot tub is located and from any neighboring Lots, Units, and the Common Areas and parks.

Section 5.17. Camping and Picnicking. No camping or picnicking shall be allowed within the Master Common Areas or Limited Common Areas except in areas, if any, that may be designated for such purpose by Declarant or the Master Association from time to time.

Section 5.18. Irrigation Systems, Ditches. The Master Association shall be responsible for irrigating the Common Areas and roadway shoulders and shall share maintenance proportionately with the Golf Land owner. The Golf Land owner shall be responsible for irrigating the Golf Land. All such irrigation shall be accomplished with untreated water from the irrigation system. The Golf Land owner and Master Association shall be responsible for the maintenance of the portions of the irrigation system that services both the Golf Land and remaining designated lands for irrigation unless the Golf Land Owner and Master Association agree otherwise in writing. Each Lot owner or Unit owner shall be responsible for the purchase, installation, operation, maintenance, repair, and replacement of the individual irrigation system on their own lot or unit, which system shall be owned by the Lot or Unit owner.

The Master Association shall cause to be made available untreated water for the allocated irrigation on each Lot or Unit through the Irrigation System. Each Owner is obligated to irrigate all or a portion of Owner's Lot or Unit to the extent permitted by this Master Declaration or a Supplemental Declaration, and to install an underground untreated water delivery system that will accomplish such irrigation. The Lots or Units located within the initial RRR Common Interest Community shall be entitled to irrigate one hundred percent (100%) of those portions of each Lot or Units that are not developed and built upon. There will be conservation and use restrictions imposed upon the Lot or Unit Owners, Master Association, and Golf Owner from time to time.

The Master Association will bill for untreated water delivered to the Cabin and Chalet areas and additional lands within the PUD for River Rim Ranch excluding the Golf Land, as indicated on the various master meters installed throughout the lands within the PUD for River Rim Ranch, and on the Golf Land, pursuant to the cost allocation procedure established in the agreement with the Golf Land Owner. The Master Association will in turn bill the individual Lot or Units or other properties within RRR as indicated on the individual untreated water meters, such fees to be based on criteria customarily used for calculating charges for the collection and distribution of untreated

water for irrigation purposes. Provided that the Master Association may bill each Lot and Unit Owner, or a Sub-association of Unit Owners, for a minimum amount of monthly untreated water use (whether or not in fact used) in order to encourage performance of the Owner's irrigation obligation.

During years of limited availability of untreated water for irrigation purposes, the "rough" areas of the Golf Land may have the untreated water supply curtailed and conservation measures may be imposed on all untreated water use if necessary. Declarant, Master Association, and Golf Owner reserve the right from time to time to allocate and reallocate irrigable acreage within the lands of the PUD for River Rim Ranch.

All Owners hereby assume any risk involved with respect to the Irrigation System and hereby acknowledge that the Master Association, Declarant, Golf Owner, and the County shall not have any responsibility or liability of any kind to any Owner who incurs any loss, damage, cost or expense arising from or relating to said Irrigation System, including, but not limited to, any loss or damage caused by flooding or the failure to deliver water. In accordance with the foregoing, such owners, on behalf of themselves and their Occupants, successors and assigns, by acceptance of a deed acknowledge their assent to the provisions hereof, and hereby release Declarant, Master Association, employees, stockholders, and contractors, from and against any and all obligations, claims, demands, liabilities, costs, expenses, attorney's fees, or causes of action of any kind whatsoever, whether arising prior or subsequent to the date hereof, whether known or unknown, based upon, arising out of, or in any manner related to the Irrigation System.

Section 5.19. Leases. All Leases of Units, Residences on Lots, Caretaker Apartments, or Accessory Dwelling Units shall be in writing and shall contain the following terms and conditions:

(a) The Lease must cover the entire Unit or Lot or Caretaker Apartment, i.e., no leases of bedrooms alone or otherwise covering less than all of the Unit or Lot or Caretaker Apartment shall be permitted. The lease term shall not be less than 30 days except as expressly approved in the Master Rules and Regulations.

(b) All Leases shall provide (i) that the terms of the Lease and the tenant's (Occupant's) use of the Lot or Unit or Apartment shall be subject in all respects to the provisions of this Master Declaration and of any pertinent Supplemental Declaration, and the Articles, Bylaws, and the Master Rules and Regulations, and the Master Design Guidelines, (ii) that the Occupant has received and reviewed copies of said documents, and (iii) that any failure by the Occupant to comply with any of the aforesaid documents, in any respect, shall be a default by Occupant under the Lease and a default by Occupant and Owner under said documents which may be enforced against Occupant and/or Owner by the Executive Board.

(c) Without limiting the generality of the foregoing, each Lease shall contain a summary of (i) the maximum number of persons that may occupy a Unit or Lot (ii) the rules regarding permitted animals, and (iii) the rules regarding storage of sporting equipment, as set forth in the Design Guidelines and Regulations.

(d) Each Owner shall notify the Master Association immediately upon the leasing of his Lot or Unit or Apartment, and shall provide the Master Association with a copy of the Lease and with the name and mailing address of the Occupant and the mailing address (if changed) of the Owner.

(e) Each Owner who leases a Lot or Unit or Apartment shall be responsible for assuring compliance by the Occupant with all of the provisions of this Master Declaration, any pertinent and Supplemental Declaration, the Articles, Bylaws, Master Rules and Regulations, and the Master Design Guidelines, and shall be jointly and severally responsible with the Occupant for any violations thereof by the Occupant.

(f) Each Lease shall expressly provide that the Master Association (via the Executive Board) shall have the right to give the Occupant written notice that the Occupant is in violation, which notice shall specify a period of time (at least ten (10) days) in which the Occupant may cure the violation.

Section 5.20. Damage by Owners During Construction. Each Owner is responsible for any damage caused to roads, streets, ditches, fences, trails, natural drainage courses, utilities, Common Areas, or to other Lots, Units or Improvements thereon, during the construction or alteration of Improvements upon the Owner's Lot or Unit, including without limitation, damage caused by any construction vehicles using the roads or streets within the RRR Common Interest Community. Damage shall include any degradation in the appearance or condition of such Master Common Areas, or other Lots or Units or Improvements. The responsible Owner shall promptly repair and clean up any such damage, at its sole expense. Each Owner shall also be responsible for any damage caused by utility cuts in roads, washouts and runoff damage caused by failure to properly install culverts, and to promptly repair any such damage. If the Owner fails to repair any such damage within ten (10) days following receipt of a written notice from the Executive Board requesting the same, the Executive Board shall have the right to perform such repairs on behalf of the Owner, and to levy a Reimbursement Assessment upon the Owner and its Lot or Unit to recover the costs thereof.

ARTICLE VI DECLARANT'S RESERVED RIGHTS

Declarant hereby expressly reserves to itself and its successors and assigns the following described rights, which include development rights and special Declarant rights, any one or more of which rights may be exercised, in the sole and absolute discretion of Declarant, at any time and from time to time during the period commencing upon the recording of this Master Declaration in the County and ending on the date of termination of such rights established under Section 6.10 below. It is expressly understood that Declarant shall not be obligated to exercise any of these reserved rights.

Except as limited by this Article VI, such reserved rights may be exercised upon or in connection with all or any portion of the RRR Common Interest Community described on attached Exhibit A, and/or the additional unspecified real estate referred to in Section 6.4 below. Such rights

may be exercised with respect to different parcels of said real estate at different times, and in connection therewith Declarant hereby states that (i) no assurances are made regarding the boundaries of said different parcels or with respect to the order in which such parcels may be subjected to the exercise of these reserved rights, even if a reference to a phase or phasing appears in a legal description, Plat, PUD Agreement or other agreement relating to the property, and (ii) if a particular reserved right is exercised in any portion of the real estate subject to that reserved right, that reserved right is not required to be exercised in all or any portion of the remainder of that real estate.

The reserved rights hereinafter set forth may not be amended, modified, terminated or otherwise altered in any way without the express prior written consent of Declarant. All conveyances of Lots and Units and other portions of the RRR Common Interest Community hereafter made, whether by Declarant or otherwise, shall be deemed and construed to reserve to Declarant and/or to grant to Declarant all of the rights reserved by and to Declarant in this Article 6, even though no specific reference to such rights appears in the conveyancing instruments. Nothing in this Article 6 shall limit or impair any other rights granted or reserved to Declarant by other provisions of this Master Declaration or of any Supplement Declaration.

The following rights are hereby reserved to Declarant and its successors and assigns:

Section 6.1. Completion of Improvements. The right throughout the RRR Common Interest Community to complete Improvements indicated on any Plat and Declarations may be amended from time to time. Furthermore, the right to construct and complete Improvements required by the terms of the Development Agreement recorded on September 8, 2006 at the Office of the Clerk and Recorder of Teton County, Idaho, and by the terms of any other Subdivision Improvements Agreements that may hereafter be executed by Declarant in connection with future phases, annexations to the RRR Common Interest Community, as said Agreement or Agreements may be amended from time to time. Furthermore, the right to create, grant and/or use and enjoy additional non-exclusive easements, and to relocate existing platted easements, upon or across any portion of the RRR Common Interest Community except Building Envelopes, as may be reasonably required for the completion by Declarant of the above-described Improvements or the effective exercise by Declarant of any of the other reserved rights described in this Article 6.

Section 6.2. Sales, Marketing and Management. The right to construct, locate or operate, and to maintain upon, and to remove from, Lots or Units owned by Declarant, and/or the Master Common Areas, in the discretion of Declarant, and in such number, size, and location as may be reasonably required by Declarant in connection with the completion of Improvements, the management of the development, and/or the promotion, marketing, sale or rental of Lots and Units, the following:

(a) Sales offices, management offices, and/or construction offices, and structures containing or relating to the same. Such offices, to the extent they are not situated on a Lot or within a Unit, are hereby declared to be personal property of the Declarant and shall in any case be removable by Declarant or its successors or assigns promptly upon the Declarant or its successors or assigns ceasing to be a Lot or Unit Owner;

(b) Signs identifying and advertising the RRR Common Interest Community and the Lots and/or Units therein, or relating to development or construction thereon;

(c) Model residences constructed or to be constructed on Lots, or model Units;

(d) Parking areas and facilities, and lighting, necessary or desirable in the marketing of the RRR Common Interest Community and the Lots and Units to prospective Owners;

(e) Employees in offices; equipment; vehicles; and marketing and construction materials.

Together with the right to attract, invite or bring prospective purchasers of Lots and/or Units into the RRR Common Interest Community at all times, and to permit them to use and enjoy the Master Common Areas.

Section 6.3. Merger. The right to merger or consolidate the RRR Common Interest Community with another common interest community of the same form of ownership.

Section 6.4. Annexation of Additional Properties. The right to annex to the RRR Common Interest Community. Each Owner of a Lot or Unit hereunder hereby grants to Declarant the right to annex additional residential property and common area and recreational amenities to the RRR Common Interest Community and to modify such Owner's Allocated Interests accordingly, provided only that all of such additional property and property owners shall be subject to these and other applicable Covenants within River Rim Ranch Division I consisting of 898.46 acres and River Rim Ranch Division II consisting of 4,516[±] acres. Alternatively, Declarant shall have the right and is authorized to develop portions of the additional property and/or to convey portions of the additional property to such third party or parties as Declarant may deem appropriate, prior to and instead of annexing them to the RRR Common Interest Community, whether for purposes consistent with this Master Declaration or otherwise. Declarant makes no assurances that all or any portion of additional property will be added to the RRR Common Interest Community and Declarant reserves the right to annex all or any portion of additional property to the RRR Common Interest Community in any order it deems appropriate in its sole and absolute discretion.

Section 6.5. Annexation Procedure. The annexation of additional real property to the RRR Common Interest Community shall be accomplished by the recording by Declarant with the Clerk and Recorder of Teton County of a Supplemental Declaration containing a legal description of the land area to be added to the RRR Common Interest Community and amending this Master Declaration accordingly, together with a Supplemental Plat thereof. The Supplemental Declaration shall assign an identifying number to each new Lot or Unit created thereby, and shall reallocate the Allocated Interests of all Lot and Unit Owners in the RRR Common Interest Community in accordance with the definition of Allocated Interest contained in this Master Declaration. The Supplemental Declaration shall also describe any Master or Sub-association Common Areas or Limited Common Areas thereby created, and any Common elements and any Limited Common Elements, the Supplemental Declaration shall designate the Unit(s) to which each is allocated.

The annexation of the additional property may be accomplished by successive Supplemental Declarations, in no particular or pre-established order, and may provide that property annexed thereby (the "Annexed Property") is phased so that it is made subject to this Master Declaration at different times. Upon recording of a Supplemental Declaration, the Annexed Property described therein shall be subject to all of the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions set forth in this Master Declaration, except to the extent specifically stated in the Supplemental Declaration or as modified thereby. Any such Supplemental Declaration may impose on the Annexed Property described therein additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions set forth in this Master Declaration, except to the extent specifically stated in the Supplemental Declaration or as modified thereby. Any such Supplemental Declaration may impose on the Annexed Property described therein additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions that those set forth in this Master Declaration, taking into account the unique and particular aspects of the Annexed Property covered thereby and of the proposed development thereof. Furthermore, Declarant shall have the right to reserve in such Supplemental Declaration any development rights that Declarant considers necessary or appropriate, provided that such provision shall not extend the termination date for the exercise of Declarant's development rights as set forth in Section 6.10 below. A Supplemental Declaration may provide for a Sub-association of Owners within the Annexed Property described in the Supplemental Declaration and for the right of the Sub-association to assess such owners for common expenses unique to those Owners.

Section 6.6. Effect of Expansion or Contraction. In the event any real property is annexed to the RRR Common Interest Community as provided herein, or if any real property is withdrawn from the RRR Common Interest Community as provided herein, the definitions used in this Master Declaration shall be automatically expanded or contracted to encompass and refer to the RRR Common Interest Community as expanded or contracted, e.g., "RRR Common Interest Community" shall mean the real property described herein plus any additional real property annexed thereto and/or minus any real property withdrawn therefrom; similarly, "Master Common Areas" and "Lots" and "Units" shall mean and include those areas as described herein as well as or less those so designated on any Supplemental Declaration or Supplemental Plat (or any amendment to a Declaration or Plat) relating to any real property which is annexed or withdrawn pursuant to this Article VI. Master Common Areas shall also mean and include all properties located from time to time within the Annexed Property that fall within the definition of Master Common Areas contained in this Master Declaration, less any Master Common Areas removed by withdrawal. References to this Master Declaration shall mean this Master Declaration as so supplemented by any Supplemental Declaration and any Supplemental Plat, or as amended. Every Owner of a Lot or Unit in the area annexed to the RRR Common Interest Community shall, by virtue of ownership of such Lot or Unit and upon recordation of the Supplemental Declaration annexing such property to the RRR Common Interest Community, be a member of the Master Association and, except as may be otherwise provided in the Supplemental Declaration, shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other Master Association Member. Regular Assessments for Lots or Units within the Annexed Property shall commence as of the date of the Recording of the Supplemental Declaration and shall be prorated as of such date.

The recording of amendments to the Master Declaration and Plat, whether in the form of Supplemental Declarations and Supplemental Plats or otherwise, which reallocate the Allocated Interests in the RRR Common Interest Community, shall automatically:

(a) Vest in each existing Lot and Unit Owner the reallocated Allocated Interests appurtenant to the Owner's Lot or Unit; and

(b) Vest in each existing Mortgagee a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Lot or Unit.

Section 6.7. Subdivision of Blocks or Lots or Units, Revision, Adaptions; Conversions of Lots or Units into Master Common Area. Declarant shall have and hereby reserves the right to subdivide any Declarant-owned Block or Lot or Unit located within the RRR Common Interest Community to create additional Lots or Units subject to the maximum number of Lots and Units set forth in the Recitals to this Master Declaration and Open Space acreage requirements, provided, however, that such subdivision is consistent with the PUD for RRR or that said PUD is amended if necessary or refined and revised administratively and is accomplished in compliance with Teton County subdivision requirements. Declarant shall also have and hereby reserves the right to convert one or more Lots or Units into Common Area. Upon the subdivision of any Block or Lot or Unit or the conversion of any Lot(s) or Unit(s) into Master Common Area in accordance with the terms and conditions contained herein, the Allocated Interests of all Owners shall be reallocated in accordance with the definition of Allocated Interests contained in this Master Declaration.

Section 6.8. Other Reserved Development Rights. The right with respect to all or any Declarant-owned portion of the RRR Common Interest Community (including Lots and Units) to (a) create Master Common Areas or Limited Common Areas; (b) create additional Lots or Units, subject to the maximum set forth in the Recitals to this Master Declaration; (c) combine Lots or Units, (d) convert Lots or Units into Master Common Areas, (e) convert Master Common Areas into Lots or Units, and (f) create Common Elements and/or Limited Common Elements. Additionally and notwithstanding the other provisions of Article 6 or provisions elsewhere in this Master Declaration, the Declarant reserves the right to transfer undeveloped, isolated or independent portions or phases of the Common Interest Community to third parties and or release such areas from all or a portion of the authority of these Covenants, Conditions and Restrictions, Master Development Guidelines and Regulations and the authority of the Homeowners Association, including assessment obligations and common area or open space access. Such transfers and releases may affect the rights and privileges of property owners within transfer areas.

The Declarant reserves the right to annex or retain transfer areas within the Common Interest Community or to contract areas of the Common Interest Community. Transfers of land to third parties and the terms and conditions that affect the Common Interest Community are to be documented on a case by case basis with the recording of a Supplemental Declaration. The transfer of land areas to third parties and corresponding conditions of the Supplemental Declaration shall comply with Teton County Subdivision Regulations.

Section 6.9. Transfer of Declarant's Reserved Rights. Any one or more rights created or reserved for the benefit of Declarant under this Article 6 or elsewhere in this Master Declaration or in any Supplemental Declaration may be transferred to any Person by an instrument describing the right or rights transferred and recorded in Teton County. Such instrument shall be executed by the transferor, Declarant, and the transferee.

Section 6.10. Termination of Declarant's Reserved Rights. The rights reserved to Declarant in this Article 6 shall automatically terminate and expire upon the first to occur of (i) the date which is thirty (30) years after the recording of this Master Declaration, or (ii) Declarant's relinquishment and surrender of such rights by recorded instrument. Declarant may from time to time relinquish and surrender one or more but less than all of the reserved rights, in which event the unrelinquished reserved rights shall remain fully valid and effective for the remainder of the term thereof. The Master Association may extend the time period for exercise of a development right, or reinstate a lapsed development right, subject to whatever terms, conditions and limitations the Master Association may impose on the subsequent exercise of the development right. The extension or renewal of a development right and any terms, conditions and limitations shall be included in an amendment executed by Declarant or the owner of the real estate subject to the development right and the Master Association.

Section 6.11 Declarant Activities. Nothing contained in this Master Declaration is intended or shall be construed to prevent or to restrict in any way Declarant's right and ability to develop, improve, maintain, repair, regulate, operate, administer, manage, market, sell, lease, encumber or dispose of the RRR Common Interest Community, the Lots, the Units, the Master Common Areas, or any part thereof, including the right to construct Improvements and install signs thereon, all in the complete discretion of Declarant.

ARTICLE VII GENERAL PROVISIONS

Section 7.1. Lot Splitting, Consolidation.

(a) Two or more contiguous lots within RRR may be combined, provided notice of intention to consolidate such lots is filed with the CDR. Such consolidated lots may thereafter be treated as one building site, and such site may be subjected to these restrictions the same as a single lot except for the purpose of levying and collecting assessments. The CDR will consider the authorization of guest houses on two or more consolidated lots.

(b) No residential lot within RRR shall be split or divided or subdivided, unless such lot as split is then consolidated with a contiguous lot, and unless the resulting area to be built upon shall be larger than one lot.

(c) Any change in lot configuration shall be approved by the CDR and appropriate governmental authorities at the County level.

Section 7.2. Assignment of Powers. Any and all of the rights and powers vested in Declarant pursuant to this Master Declaration may be delegated, transferred, assigned, conveyed or released by Declarant to the Master Association and the Master Association shall accept the same, effective upon the recording by the Declarant of a 90 day notice of such delegation, transfer, assignments, conveyance or release.

Section 7.3. Notices, Documents, Delivery. Any notice or other document permitted or required by the Master Declaration to be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to the Master Association or to the CDR at the registered office for the Master Association; if to an Owner, then at any lot within RRR owned by the Owner, if to the Declarant, at P.O. Box 337, Teton, ID 83452-0240 provided, however, that any such address may be changed from time to time by an Owner, by the CDR, or by Declarant by notice in writing, delivered to Master Association member.

Section 7.4. General Maintenance. The maintenance, alteration, replacement and/or repair of the common roadways, fire control facilities and common trails, common landscape, irrigation, fencing, and other common facilities shall be the responsibility of the Executive Board. The Executive Board, as part of its responsibility, shall maintain, repair and provide for snow removal and maintenance activities on all roadways constituting part of the Master Common Areas. The maintenance, repair and replacement of all improvements on each lot shall be the responsibility of the Owner of such lot and not the Executive Board, except as otherwise expressly set forth below. All roads are to be maintained by the Master Association except for driveways leading to residences from roadways within the subdivision.

ARTICLE VIII ENFORCEMENT, DURATION AND AMENDMENT

Section 8.1. Enforcement. The Master Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Master Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waive of the right to do so thereafter.

Section 8.2. Duration of Restrictions. All of the covenants, conditions and restrictions set forth in this Master Declaration shall continue and remain in full force and effect at all times against said property and the Owners thereof, subject to the right of amendment or modification provided for in this Article, for a term of twenty (20) years after which time they shall be automatically extended for successive periods of twenty (20) years.

Section 8.3. Amendment. This Master Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the lot owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot Owners, which instrument must be recorded in the Office of the County Clerk of Teton County

Idaho. Such amendments shall be duly executed by the Declarant and place of record in the Office of the County Clerk of Teton County Idaho.

Notwithstanding the foregoing, during the first five (5) years following the recordation of this Master Declaration or until seventy-five percent (75%) of the lots which are the subject of this Master Declaration are sold, whichever comes first, this Master Declaration of Covenants, Conditions and Restrictions may be modified, amended and changed by the Declarant without the need or necessity of the consent of the then-owners of the real property which is the subject of this Declaration. This provision shall apply both to the Master Declaration of Covenants, Conditions and Restrictions, and to the Master Design Guidelines and Regulations attached hereto as Appendix I.

Section 8.4. Violation Constitutes Nuisance. Every act or omission, whereby any restriction, condition or covenant in this Declaration set forth, if violated in whole or in part, is declared to be and shall constitute a nuisance and may be abated by Declarant or his successors in interest and/or by any lot Owner; and such remedies shall be deemed cumulative and not exclusive.

Section 8.5. Construction and Validity of Restrictions. All of said covenants, conditions and restrictions contained in this Master Declaration shall be construed together, but if it shall at any time be held that any one of said conditions, covenants, or restrictions, or any part thereof, shall be thereby affected or impaired; and the Declarant, grantor and grantee, his heirs, successors and assigns, shall be bound by each article, section, subsection, paragraph, sentence, clause and phrase of this Master Declaration irrespective of the fact that any article, section, subsection, paragraph, sentence, clause or phrase be declared invalid or inoperative or for any reason becomes unenforceable.

Section 8.6. No Waiver. The failure of the Executive Board or its agents to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Master Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of such term, covenant, condition, or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Executive Board or its agent of the payment of any assessment from an Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waive of such breach, and no waiver by the Executive Board of any provision hereof shall be deemed to have been made unless expressed in writing and duly signed by or on behalf of the Executive Board.

Section 8.7. Variances. The CDR may allow reasonable variances and adjustments of the foregoing covenants, conditions and restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the covenants contained herein, or to grant variances in regard to the requirements contained in Article V of the Master Development Guidelines, or the purpose of enhancing views, utilizing a lot to better advantage, and enhancing the placement of improvements on the property, providing this may be done in conformity with the intent and purpose thereof, and also provided in every instance that such grants or adjustments shall not be materially detrimental or injurious to other property or improvements to the neighborhood. Notwithstanding the foregoing provision, no variance shall be allowed which has the effect of creating additional lots.

Any variances or adjustments of these covenants, conditions and restrictions granted by the CDR, or any acquiescence or failure to enforce any violation of the conditions and restrictions herein, shall not be deemed to be a waiver of any of the conditions and restrictions in any other instance.

Section 8.8. County Required Covenants. The following Covenants, Conditions and Restrictions are specifically required by Teton County, Idaho and cannot be changed or amended without the formal consent and written approval from the Board of County Commission of Teton County, Idaho including:

- a) **Maintenance of Open Space.** - The Master Association shall be responsible for the maintenance and upkeep of common open space including control of noxious weeds.
- b) **Maintenance of Landscaping.** - The Master Association shall be responsible for the maintenance and upkeep of common landscaping such as lawn, pasture, irrigation, trees, shrubs, fencing, lighting, signage and other landscape items.
- c) **Creation of Homeowner's Association.** - The Master Association is duly created and bound to continuation via the Bylaws and Covenants, Conditions and Restrictions to be recorded simultaneously with the Final Subdivision Plat of River Rim Ranch Divisions I and II.
- d) **Right to Farm Provision.** - It is the intent of the State legislature to reduce the loss to the State of its agricultural resources by limiting the circumstances under which agricultural operations may be deemed to be a nuisance. The legislature also finds that the right to farm is a natural right and is recognized as a permitted use throughout the State of Idaho. "Agricultural Operation" includes, without limitation, any facility for the growing, raising or production of agricultural, horticultural and viticultural crops and vegetable products of the soil, poultry and poultry products, livestock, field grains, seeds, hay, apiary and dairy products, and the producing for commercial purposes of livestock or agricultural commodities. No Agricultural Operation or an appurtenance to it shall be or become a nuisance, private or public, by any changed conditions in or about the surrounding nonagricultural activities after the same has been in operation for more than one (1) year, when the operation was not a nuisance at the time the operation began; provided that the provisions of this section shall not apply whenever a nuisance results from the improper or negligent operation of any Agricultural Operation or an appurtenance to it.
- e) **Design Guidelines and Regulations.** - The River Rim Ranch Master Design Guidelines and Regulations establishes an architectural theme for the project and residences, and a framework for design, construction, maintenance and usage. Further, a plan submission and review procedure is specified which

accomplishes consistent review by the Master Association's Committee for Design Review for each and every house design and related facilities on a lot by lot basis.

- f) No Further Subdivision of Residential Lots. - As stated in Article VII, Section 1 (b) no residential lot within RRR shall be split or divided or subdivided.
- g) Certificates of Occupancy. - It is acknowledged that no certificates of occupancy for residences will be issued by Teton County, Idaho until public improvements are complete.
- h) Exterior Lighting Restrictions. - The intent of the lighting restrictions is to reduce the amount of light pollution and to be unobtrusive to neighboring properties. Exterior lighting shall be subdued, understated and indirect. Area lighting shall have concealed light sources and shall be either all white or all pale yellow. Lighting shall be "down" type and shall not radiate out from the property. In all cases, excessive glare to neighboring properties or circulation shall be avoided.

Direct light sources shall be used only to accent the architecture, landscape, or artwork, or for the definition of entries and walkways. Flashing, blinking or moving lights shall not be used except for decorative lighting during the Christmas season.

Protection of "night skies" is an important benefit of the Exterior Lighting Restriction.

ARTICLE IX EASEMENTS

Section 9.1. Easements for Incidental Encroachments. If any portion of an Improvement approved by the CDR encroaches in its approved location upon a Master Common Area, including any future encroachments arising or resulting from the repair or reconstruction of an Improvement subsequent to its damage, destruction or condemnation, a valid easement on the surface and for subsurface support below such surface and for the maintenance of same, so long as it stands, shall and does exist for such incidental encroachment.

Section 9.2. Blanket Master Association Utility and Drainage Easement Over Master Common Areas. There is hereby created, granted and reserved to the Master Association, its agents, employees and assigns, a perpetual, non-exclusive blanket easement over, across, upon and under the Master Common Areas for the construction, installation, operation, maintenance, repair, removal and replacement of utilities and utility lines, irrigation lines and systems and water features, drainage systems, pipes, wires, circuits, conduits, meters, facilities and systems for the benefit of the Common Interest Community or any part thereof, including but not limited to drainage, domestic

water, irrigation water, sewer, gas, telephone, electricity, cable TV and other Master TV and communication systems, if any, together with an easement for access, ingress and egress to accomplish such purposes. The Master Association or other person or entity exercising such utility and drainage easement rights shall be obligated to restore, reseed, replant and/or re-landscape the surface of the disturbed area to as close to its original condition as possible, as promptly as possible following completion of any utility or drainage work.

Section 9.3. Master Association Administrative Easement Over Master Common Areas. There is hereby created, granted and reserved to the Master Association, its agents, employees and assigns, a perpetual, non-exclusive easement over, across, upon and under the Master Common Areas and a right to use the Master Common Areas for purposes enabling the Master Association to perform the duties and functions which it is obligated or permitted to perform pursuant to this Master Declaration.

Section 9.4. Declarant Easement Over Master Common Areas. There is hereby created, granted and reserved to Declarant and its successors and assigns a non-exclusive easement over, across, upon and under all Master Common Areas (including without limitation all easements benefitting the Master Association), including a right of access, ingress and egress thereto, and a right to use such Master Common Areas, and each and every part thereof, for all purposes reasonably related to (a) Declarant's development, improvement, maintenance, management, marketing and sale of the RRR Common Interest Community and all portions thereof, including any annexations thereto, and/or (b) Declarant's exercise and implementation of the rights reserved to Declarant under this Master Declaration or any Supplemental Declaration, and/or (c) the discharge by Declarant of any of its obligations under this Master Declaration or any Supplemental Declaration or under the Subdivision Improvements Agreements, or any other Declarant obligations relating to the RRR Common Interest Community. Declarant's rights with respect to this easement shall terminate upon the first to occur of (i) the date which is thirty (30) years after the Recording of this Master Declaration, or (ii) Declarant's relinquishment of all or a portion of this easement right by recorded instrument.

Section 9.5. Utility, Drainage, and/or Irrigation Easements. There are hereby created, granted and reserved to the Master Association, the golf Owner, the County, and appropriate public utilities, perpetual, non-exclusive easements over, upon, across and under those portions of the Common Interest Community that are designated "Utility Easement," "Irrigation Easement," "Drainage and Irrigation Easement," or "Utility, Drainage and Irrigation Easement" on the Plat or any Supplemental Plat. Utility Easements may be used for the installation, operation, maintenance, repair, removal or replacement of underground utility lines (and related surface facilities). Drainage and Irrigation Easements may be used for the installation, operation, maintenance, repair removal or replacement of drainage and irrigation systems and facilities. Except as may otherwise be provided in any Subdivision Improvements Agreement between Declarant and the County or in any other separate agreement between Declarant and a utility supplier, the party causing the disturbance shall be obligated to restore, repair, reseed and/or re-landscape any area disturbed by the exercise of these easement rights to as close to its original condition as possible as promptly as possible following the completion of any work within a Utility, Drainage or Irrigation Easement.

Section 9.6. M.C.A. Parks. With respect to areas designated as "M.C.A. Parks" on the Plat or on any Supplemental Plat, title shall be conveyed to the Master Association upon recording of the Plat or Supplemental Plat, such areas shall thereafter be considered "Master Common Areas," and there is hereby created, granted and reserved for the use and benefit of the Master Association, and the Owners and Occupants, a perpetual, non-exclusive easement over, upon and across said M.C.A. Parks. Said M.C.A. Parks may be used and enjoyed for passive recreational purposes, and shall be improved and maintained by the Master Association.

Section 9.7. Blanket Emergency Services Easement. There is hereby created, granted, and reserved for the use and benefit of all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons, now or hereafter serving the RRR Common Interest Community and its Owners and Occupants, a perpetual, non-exclusive blanket Emergency Service Easement over, upon, along and across all Master Common Areas and all other properties and areas within the RRR Common Interest Community, for use in the lawful performance of their duties.

Section 9.8. Recorded Easements and Licenses. In addition to the easements described in this Article 9 and elsewhere in this Master Declaration, the recorded easements and licenses appurtenant to or included in the RRR Common Interest Community are set forth on the Plat documents and made a part hereof by this reference.

ARTICLE X FARM/RANCH CONSERVATION UNITS

Section 10.1. Farm/Ranch Conservation Unit. Farm/Ranch Conservation Units have been created within RRR to preserve and promote agricultural practices while creating open space lands. Farm/Ranch Conservation Units contain residential building sites in addition to the restricted agricultural lot. The Farm/Ranch Conservation Unit which includes the agricultural lot and building sites are sold as a single unit subject to the Master Declaration and specific restrictions relative to agricultural uses.

Section 10.2. Agricultural Lot of Farm/Ranch Conservation Lot. The agricultural lot portion of the Farm/Ranch Conservation Unit is set aside as permanent open space for limited agricultural uses. These limited uses include the following:

- Grain crops
- Hay crops
- Natural grasses
- Potato crops
- Other grain or row crops
- Limited grazing

Not more than 24 horses and/or llamas or similar species such as donkeys or mules may be maintained on the property. In addition to the 24 above, not more than 6 cattle may be maintained for hobby ranch or 4-H purposes.

It is intended that these limited agricultural uses are principally for ancillary operations to continue farming activities and related production. Full blown commercial operations, feed lots, pig farms, chicken or egg production, or similar operations on a commercial basis are not permitted.

Section 10.3. Maintenance of Farm/Ranch Conservation Units. Owners are required to maintain residential sites and agricultural lots in accordance with the Master Declaration. Owner is responsible for noxious weed control, irrigation and maintenance of the property so that it does not become a detriment to the community. Best management practices shall be utilized for all farming operations. The lands must be maintained and shall not be allowed to remain fallow. Owners may lease to qualified farming operators.

Agricultural barns, outbuildings, corrals, fencing, etc. may be erected on the property subject to CDR review and approval of design, location and intended use.

Irrigation water will be made available to the agricultural lot on a pro-rata basis of water available. No water rights will transfer as those are held by the Master Association for the benefit of all owners. Charges for water will be according to usage based on metered usage.

Section 10.4. Sale of Building Sites. The Owner must establish one of the building sites as the master site. That master site will always have the agricultural lot tied to it. The agricultural lot and master site must always be together and cannot be separated. Owner of the master site shall also have responsibility for the agricultural lot.

The remaining building sites other than the master site and agricultural lot within the Farm/Ranch Conservation Unit may be retained by the Owner, donated to the land trust for a conservation easement, or sold to a third party subject to the Master Declaration and acknowledgment of the agricultural practices to be carried on the agricultural lot.

There may be no further subdivision of the property.

Section 10.5. Voting Rights. Each residential building site has one voting right within the Association. Each residential building site will be assessed as an individual lot within the community.

ARTICLE XI ASSESSMENTS

Section 11.1. Assessment Obligation and Lien. Declarant, for each Lot and Unit, shall be deemed to covenant and agree, and each Lot or Unit Owner, by acceptance of a deed therefore (including a public trustee's or sheriff's deed), whether or not it shall be so expressed in any such deed or other instrument of conveyance, shall be deemed to covenant and agree, to pay to the Master Association: (1) Regular Assessments or charges, (2) Special Assessments, and (3) Reimbursement Assessments, such assessments to be established and collected as hereinafter provided (collectively the "Assessments"). The Assessments, together with interest, late charges costs and reasonable attorneys' fees, shall be a continuing lien and security interest upon the Lot or Unit against which each such Assessment is charged. The obligation for such payments by each Lot or Unit Owner to

the Master Association is an independent covenant, with all amounts due from time to time payable in full without notice (except as otherwise expressly provided in this Declaration) or demand, and without set-off or deduction of any kind or nature. Each Lot or Unit Owner is liable for Assessments made against such Owner's Lot or Unit during his period of ownership of the Lot or Unit. Each Assessment, together with interest, late charges, costs and reasonable attorneys' fees, shall also be the joint, several and personal obligation of each Person who was an Owner of such Lot or Unit at the time when the Assessment became due. Upon the transfer of title to a Lot or Unit, the transferor and the transferee shall be jointly, severally and personally liable for all the unpaid Assessments and other charges due to the Master Association prior to the date of transfer, and the transferee shall be personally liable for all such Assessments and charges becoming due thereafter.

The Assessment Obligation and Lien language above does not apply to Big Sky Western Bank who may own land and/or lots within River Rim Ranch from time to time and will not be subject to any form of assessment from the Property Owners Association.

Section 11.2. Regular Assessments

(a) A Regular Assessment shall be made annually against each Lot and Unit, based upon an annual budget prepared by the Executive Board, for purposes of paying (i) the annual costs of operating and administering the Master Association and all other Common Expenses, (ii) reasonable reserves for contingencies, replacement, and other proper purposes, (iii) the costs of services rendered or expenditures incurred by the Master Association to or for less than all Lots or Units, including without limitation the cost of maintaining yards, which costs and expenses shall be assessed only to the Lots or Units benefitted, (iv) the costs of improving or maintaining Limited Common Areas, and reasonable reserves for such costs, which costs shall be assessed only to the Lots designated for the use of said Limited Common Areas, and (v) such other matters as may be reasonably determined by the Executive Board to be the subject of a Regular Assessment;

(b) Regular Assessments shall be allocated in accordance with the Allocated Interests of each Lot and Unit in the Common Interest Community, except that (i) any Common Expense or portion thereof benefitting fewer than all of the Lots or Units shall be assessed exclusively against the Lots or Units benefitted, and (ii) the cost of insurance shall be assessed in proportion to risk, and the costs of utilities shall be assessed in proportion to usage. If Common Expense liabilities are reallocated, Common Expense Assessments and any installment thereof not yet due shall be reallocated in accordance with the reallocate Common Expense liabilities.

(c) Regular Assessments shall be levied on a calendar year basis, except that the initial Regular Assessment period shall commence on the first day of the calendar month or quarter in which the first Lot or Unit is conveyed by Declarant to a Person other than Declarant. Regular Assessments shall be paid in installments on a monthly, quarterly, or semi-annual basis, as the Executive Board may determine from time to time, and shall be due either on the first day of each calendar month or on the first day of each calendar year quarter (January 1, April 1, July 1, and October 1), or on the first day of a semi-annual period (e.g., January 1, July 1) as appropriate. Unless and until changed to a monthly or semi-annual system by the Executive Board, Regular Assessments shall be due and payable on the first of each calendar quarter. Any Lot or Unit Owner acquiring a

Lot or Unit between installment due dates shall pay a pro rata share of the immediately preceding installment.

(d) The Executive Board shall fix the amount of the Regular Assessment, using the budget procedure described below, at least thirty (30) days before the end of each calendar year. Written notice of the Regular Assessment shall be sent to each Owner. Failure of the Executive Board timely to fix and levy the Regular Assessments for any year or to send a notice thereof to any Owners shall not relieve or release any Owner from liability for payment of Regular Assessments or any installments thereof for that or subsequent years as soon as the Executive Board levies the Regular Assessment and provides notice thereof.

(e) The Executive Board shall also mail to each Owner at least ten (10) days prior to the due date thereof a written notice of the amount of the next quarterly (or monthly or semi-annual, as the case may be) installment of Regular Assessment that is due from such Owner, and the date on which such installment is due pursuant to paragraph 11.2 above. Failure of the Executive Board to send timely notice to any Owner of an installment of Regular Assessment due shall not relieve or release any Owner from liability for payment of that installment as soon as the Executive Board in fact provides such notice.

(f) Any surplus funds remaining after payment of or provision for Master Association expenses and any prepayment of or provision for reserves shall be carried forward as a credit against the next year's Budget.

Section 11.3. Master Association Budget. Commencing in 2007, and during the last six (6) months of each year thereafter, the Executive Board shall prepare or cause to be prepared an operating budget (the "Budget") for the next calendar year. The Budget shall provide for the allocation of any surplus funds remaining from any previous Budget period. Within thirty (30) days after adoption of any proposed Budget for the Master Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to all the Lot and Unit Owners and shall set a date for a meeting of the Lot and Unit Owners to consider ratification of the Budget not less than fourteen (14) nor more than sixty (60) days after the mailing or other delivery of the summary. Such meeting may, but need not be, concurrent with the annual meeting of the Members as provided in the Bylaws. Unless at that meeting sixty-seven percent (67%) of all Lot and Unit Owners reject the Budget, the Budget shall be ratified, whether or not a quorum of Owners is present. In the event that the proposed Budget is rejected, the Budget last ratified by the Lot and Unit Owners shall be continued until such time as the Lot and Unit Owners ratify a subsequent Budget proposed by the Executive Board.

Section 11.4. Special Assessments. In addition to the Regular Assessments and Reimbursement Assessments authorized in this Article 11, the Executive Board 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, maintenance, or replacement of capital improvements (including related fixtures and personal property and including without limitation irrigation systems, ditches, and ditch systems) to or upon or serving the Common Interest community, or for excess reconstruction costs or other extraordinary expenses, or for funding any operating deficit of the Master Association. Any Special Assessment for an improvement or

expenditure which will benefit fewer than all of the Lots or Units shall only be levied against the Lots or Units benefitted, provided that expenditures in connection with the Master Common Areas (excepting Limited Common Areas) shall be deemed for the general benefit of all Lots and Units, wherever located. Except in the event of an emergency, where no membership vote shall be required, the Executive Board shall not levy a Special Assessment without the approval of the Owners of the Lots and Units that will be subject to the Special Assessment as provided below.

Written notice of any meeting called for the purpose of levying a Special Assessment shall be sent to all Owners of Lots and Units that will be subject to the Special Assessment no less than thirty (30) or more than fifty (50) days before the meeting. At the meeting, the presence of Owners in person or by proxy of at least sixty percent (60%) of the Lots and Units that will be subject to the Special Assessment shall constitute a quorum. If the required quorum at this second meeting shall be only thirty percent (30%) of such Lots and Units. No such second meeting shall be held more than sixty (60) days following the date of the first meeting.

Provided a quorum of Owners entitled to vote is present in person or by proxy, in accordance with the quorum requirements set forth in the preceding paragraph, then the affirmative vote a majority of the Owners so present shall constitute approval of the proposed Special Assessment.

For purposes of this Section 11.4, the term "emergency" shall mean any circumstances or set of circumstances which pose an imminent threat of loss, damage or injury, actual or threatened, to persons or property. Special Assessments shall be allocated in the same manner as Regular Assessments, that is, in accordance with the Allocated Interests of each Lot and Unit in the Common Interest Community, and shall be due and payable to the Master Association on the due date fixed by the Executive Board in the notice given to the Owners of such Special Assessment, which due date shall be no earlier than thirty (30) days after the giving of such notice. If fewer than all of the Lots and Units will be subject to the Special Assessment, then such Special Assessment shall be allocated equally amongst those Lots and Units.

Section 11.5. Reimbursement Assessments. In addition to Regular and Special Assessments authorized hereunder, the Executive Board may levy against any Owner or Owners, at any time and from time to time, a Reimbursement Assessment for purposes of reimbursing the Master Association for all costs and expenses incurred by it in enforcing any provision of or in remedying any violation of this Master Declaration, or of any Supplemental Declaration, the Articles, Bylaws, Master rules and Regulations or Master Development Guidelines, or any approvals granted by the CDR, by such Owner or Owners, their Occupant(s), or their agents, employees or contractors. Reimbursement Assessments may also be made by the Executive Board for any other purposes for which this Master Declaration provides for the levying of a Reimbursement Assessment. Finally, and in addition to the foregoing, a Reimbursement Assessment may also be levied in the form of a reasonable fine against an Owner for a violation of this Master Declaration, a Supplemental Declaration, the Articles, Bylaws, or the Master Rules and Regulations, but only after the Owner(s) to be so fined have been provided with Notice and Hearing. Reimbursement Assessments shall be due and payable to the Master Association on the due date fixed by the Executive Board in the notice given to the Owner(s) of such Reimbursement Assessment, which date shall be no earlier than thirty (30) days after the giving of such notice.

Section 11.6 Effect of Nonpayment of Assessments; Remedies of the Master Association. Any Assessment or portion or installment thereof which is not paid when due (or for which a bad check is issued) shall be deemed delinquent and shall bear interest from and after the due date at the rate of interest set by the Executive Board from time to time, which shall not be less than twelve percent (12%) nor more than twenty-one (21%) per year, and the Executive Board may also assess a late charge (and/or a bad check charge) thereon. The Executive Board may also elect to accelerate the installment obligations of any Regular Assessment for which an installment is delinquent. The Executive Board may also suspend the delinquent Owner's use of the Master Common Areas and be liable for all costs, including attorneys' fees, which may be incurred by the Master Association in collecting a delinquent Assessment, which collection costs shall be added to the delinquent Assessment. The Executive Board may, but shall not be required to, record a Notice of Delinquent Assessment or charge against any Lot or Unit as to which an Assessment or charge is delinquent. The Notice shall be executed by an officer of the Executive Board, and shall set forth the amount of the unpaid Assessment or charge, the name of the delinquent Owner and a description of the Lot or Unit.

The Assessment Lien may be foreclosed by the Master Association in the same manner as a mortgage on real property. The Master Association shall be entitled to purchase the Lot or Unit at foreclosure. The Master Association may also bring an action at law against the Owner personally obligated to pay the delinquent Assessment and/or foreclose the lien against said Owner's Lot or Unit in the discretion of the Master Association. No Owner may exempt himself or otherwise avoid liability for the Assessments provided for herein by waiver of the use or enjoyment of any of the Master Common Areas or by abandonment of the Lot or Unit against which the Assessments are made. Where Assessments that are due from any Owner are more than ninety (90) days delinquent, the Executive Board may temporarily suspend any or all Master Association services or benefits to the delinquent Owner and his Lot or Unit, including the right to use Master Common Areas, until all delinquent Assessments are fully paid.

In any action by the Master Association to collect Assessments or to foreclose a lien for unpaid Assessments, the court may appoint a receiver to collect all sums alleged to be due from the Lot or Unit Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the Master Association during the pending of the action to the extent of the Master Association's Regular Assessments.

Section 11.7. River Rim Ranch Foundation Contribution. Upon the initial sale and each subsequent resale of an improved or unimproved Lot within the RRR Common Interest Community Division II, or of an interest therein, to another Person (excluding gifts, transfers for estate planning purposes, and transfers by court order or by will or intestacy, or transfer by Declarant to project affiliated parties), 1.0% of the gross sales price of the lot shall be paid to the River Rim Ranch Foundation from the closing. In the case of the sale of improved property, the 1.0% shall apply to the land portion of the sales price only as reflected by the Teton County Tax Assessor market valuation of the land. This River Rim Ranch Foundation Contribution requirement shall apply to Lot sales made by Declarant: provided, however, the transfers of unimproved Lots by the Declarant to an affiliate of Declarant for the purposes of allowing the affiliate to construct improvements on such Lots, shall be exempt from the requirements of this paragraph. In addition, River Rim Ranch

Foundation Contributions shall not be required in connection with the sale of improvements or property within the Golf Land, or other property that is transferred for a public purpose.

Declarant, in connection with the interested citizens in the Teton Valley, has caused the River Rim Ranch Foundation to be organized as a nonprofit organization. The purpose of the River Rim Ranch Foundation is to provide funds on an ongoing basis for the benefit of public services, programs, facilities, charities, school district needs, and similar needs of Teton County, Idaho.

The funds will be held in trust and administered by the River Rim Ranch Foundation, whose directors shall be comprised of community leaders of Teton Valley, Idaho and representatives of the River Rim Ranch Project.

The Notice of this contribution obligation is recorded at the Teton County Clerk and Recorder's Office as Instrument No. 180228 (Exhibit D). If a River Rim Ranch Foundation Contribution is not paid at the time of sale or transfer of a Lot or Unit as provided herein, the unpaid RRR Foundation Contribution shall bear interest at the rate of eighteen percent (18%) per annum from the date of sale or transfer until paid in full, shall constitute the personal obligation of the purchaser/Lot Owner, and shall be a lien and security interest on the title to the purchaser/Lot Owner which may be foreclosed by the Foundation in the same manner as a mortgage on real property. This lien and security interest does not have precedence and is subordinate to any bona fide mortgage on the property.

ARTICLE XII GOLF LAND AND FACILITIES

Section 12.1. Golf Land and Facilities. In no event and for no purpose shall the Golf Land or any golf course improvements or facilities constructed thereon or related thereto be deemed to be a part of the Common Community, or be burdened by this Master Declaration or any Supplemental Declaration. No Lot or Unit shall have any right (i) to have the golf course and/or facilities constructed in any particular location on the Golf Land, (ii) to have or preserve a visual or sight easement over and across any portion of the Golf Land, and/or (iii) to have access to or across the Golf Land along any particular alignments.

Section 12.2. Golf Land Hazards, Risks and Liabilities: Disclosure, Assumption of Risk, Release and Indemnification. The Golf Land will be used as a public golf course and related improvements, facilities and uses. By acceptance of a deed to a Lot or Unit, each Lot and Unit Owner acknowledges and agrees that the golf course use enhances the value of the Lot or Unit by providing pleasant surroundings and open space for the Common Area Community. Each Lot and Unit Owner further acknowledges (i) that the use and operation of the Golf Land as a golf course involves certain risks to the Common Area Community, including but not limited to damage to property and improvements and personal injury and death caused by errant golf balls that may be hit into the Common Area Community, and (ii) that while the Common Area Community has been designed to minimize these risks to the extent reasonably possible, it would be impossible to render the Common Area Community free of all golf course-related risks. Certain of the more common hazards associated with the operation of a golf course are more particularly described in subsections (a) through (g) below (collectively the "Golf Course Hazards").

(a) Errant Golf Balls. Owners of Lots or Units, particularly Lots or Units abutting the Golf Land, acknowledge the inherent risk of errant golf balls and assume and accept such risk. Owners acknowledge and accept the risk that golfers may attempt to retrieve errant golf balls from Lots or Units and each Owner agrees to release and waive any claims said Owner may have as a result of such retrieval.

(b) View Impairment/Privacy. Owners of Lots or Units, including Owners of Lots or Units abutting the Golf Land, have no guarantee that their view over and across the Golf Land will be forever preserved without impairment or that the view from the Golf Land will not be impaired. The Golf Owner has no obligation to the owners to prune or not prune trees or other landscaping and such Golf Owner may change, add to or reconfigure the golf course and related facilities and improvements on the Golf Land, including structural improvements, trees, landscaping, tees, bunkers, fairways and greens, without liability or obligation to the Owners.

(c) Pesticides and Fertilizers. Pesticides, fertilizers and other chemicals may be utilized in connection with the operation of the Golf Land and related landscaping and the Owners of Lots and Units acknowledge, accept and assume the risks associated with the use of pesticides, fertilizers and other chemicals.

(d) Over Spray. Owners of Lots or Units, particularly Owners of Lots or Units abutting the Golf Land, may experience "Over Spray" from the Golf Land irrigation system and such Owners acknowledge, accept and assume the risks associated with such "Over Spray."

(e) Noise and Light; Tournaments. Owners of Lots or Units, particularly Owners of Lots or Units in proximity to the golf course clubhouse, may be exposed to lights, noise or activities resulting from the use of the golf course for tournaments, from the use of the clubhouse for dining and entertainment, and from use of the parking lot, and such Owners acknowledge, accept and assume the risks associated with such uses.

(f) No Access. The Owner of each Lot and Unit abutting any portion of the Golf Land, by accepting a deed to his Lot or Unit, acknowledges that the Golf Owner may not permit access to any portion of the Golf Land directly from any Lot or Unit. Such access will only be permitted through the clubhouse and at such other entry points as the Golf Owner may from time to time specifically designate. Accordingly, each Owner of a Lot or Unit abutting any portion of the Golf Land agrees not to access the Golf Land directly from his Lot or Unit (unless otherwise expressly permitted by the Golf Owner) and agrees not to permit any of his Occupants, family, guests, invitees, licensees or any other person to do so.

(g) Maintenance. The Golf Land and related improvements and facilities require daily maintenance, including mowing, irrigation and grooming, during early morning, evening and night hours, including without limitation the use of tractors, mowers, blowers, pumps, compressors and utility vehicles. Owner of Lots or Units, particularly Owners of Lots or Units in proximity to the Golf Land, will be exposed to the noise and other effects of such maintenance, and such Owners acknowledge, accept and assume the risks associated with such maintenance activities.

IN CONSIDERATION FOR THE ABOVE-ACKNOWLEDGED ENHANCEMENT IN VALUE, AND WITH FULL AWARENESS OF THESE AND OTHER RISKS, BY ACCEPTING THE DEED TO A LOT OR UNIT EACH OWNER FOR HIMSELF AND HIS OCCUPANTS, INVITEES, LICENSEES, SUCCESSORS AND ASSIGNS (COLLECTIVELY THE "OWNER'S RELATED PARTIES") HEREBY (I) ACKNOWLEDGES, ACCEPTS AND ASSUMES THE RISKS ASSOCIATED WITH SAID GOLF COURSE HAZARDS AND OF ANY DAMAGE TO PROPERTY OR TO THE VALUE OF PROPERTY, DAMAGE TO IMPROVEMENTS, PERSONAL INJURY OR DEATH, OR THE CREATION OR MAINTENANCE OF A TRESPASS OR NUISANCE, CAUSED BY OR ARISING IN CONNECTION WITH ANY OF SAID GOLF COURSE HAZARDS OR OTHER RISKS, HAZARDS AND DANGERS ASSOCIATED WITH THE OPERATION OF A PUBLIC GOLF COURSE (COLLECTIVELY THE "ASSUMED RISKS"), AND (II) RELEASES, WAIVES, DISCHARGES, COVENANTS NOT TO SUE, INDEMNIFIES AND AGREES TO DEFEND AND HOLD HARMLESS THE DECLARANT, THE OFFICERS, DIRECTORS, PARTNERS, SHAREHOLDERS, MEMBERS, AFFILIATES, EMPLOYEES, CONTRACTORS, CONSULTANTS, AGENTS, SUCCESSORS AND ASSIGNS (COLLECTIVELY THE "RELEASE PARTIES"), AND EACH OF THEM, FROM ANY AN ALL LIABILITY TO THE OWNER OR OWNER'S RELATED PARTIES FOR ANY DAMAGES, LOSSES, COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEY'S FEES), CLAIMS, DEMANDS, SUITS, JUDGMENTS, ORDINARY NEGLIGENCE, OR OTHER OBLIGATIONS ARISING OUT OF OR CONNECTED IN ANY WAY WITH ANY OF THE ASSUMED RISKS. THIS RELEASE IS INTENDED TO BE A COMPREHENSIVE RELEASE OF LIABILITY BUT IS NOT INTENDED TO ASSERT DEFENSES WHICH ARE PROHIBITED BY LAW. NOTWITHSTANDING THE FOREGOING, HOWEVER, THIS SECTION 11.2 SHALL NOT LIMIT THE LIABILITY OF INDIVIDUAL GOLFERS USING THE GOLF LAND.

In addition to the foregoing, the Golf Course play and Operational Easement also established certain easements and restrictions upon portions of the Common Area Community for the benefit of the Golf Owner and the Golf Land, and each Owner of a Lot or Unit acknowledges having read that document and being familiar with the terms thereof.

ARTICLE XIII INDEMNIFICATION

Each officer, director, and former officer and director of the Association shall be indemnified and held harmless by the Association against all expenses, claims, suits, clauses of action demands and judgements, liabilities, including attorney's fees, reasonably incurred by or imposed upon him in any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been an officer or director of the Association, or any settlement thereof, whether or not he is an officer or director at the time such expenses are incurred, except in such cases wherein such officer, director or committee member is adjudged guilty of willful malfeasance in the performance of his duties. The Association may procure and maintain insurance against such liabilities, or such kind and amount as its Board of Directors may approve.

**ARTICLE XIV
CONSTRUCTIVE NOTICE**

Every person or entity who now or hereafter owns, occupies or acquires any right, title or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to every covenant, condition and restriction contained herein, whether or not any reference to this Declaration is contained in the instrument by which such person acquired an interest in the Property.

**ARTICLE XV
WAIVER**

Neither Declarant or the Association nor their successors or assigns shall be liable to any Owner or Occupant of the Property by reason of any mistake in judgement, negligence, nonfeasance, action or inaction, or for the enforcement or failure to enforce any provision of this Declaration. Every Owner or Occupant of any said property by acquiring its interest therein agrees that it will not bring any action or suit against Declarant and/or the Association to recover any such damages or to seek equitable relief because of same.

**ARTICLE XVI
RUNS WITH LAND**

All covenants, conditions, restrictions and agreements herein contained are made for the direct, mutual and reciprocal benefit of each and every Lot of the Property and Lots within future annexation areas; shall create equitable servitude upon each Lot in favor of every other Lot; shall create reciprocal rights and obligations between respective Owners and Occupants of all Lots and privity of contract and estate between all grantees of said Lots, their heirs, successors and assigns; and shall, as to the Owner and occupant of each Lot, his heirs, successors and assigns, operate as covenants running with the land, for the benefit of all other Lots, except as provided otherwise herein.

DATED this 25th Day of Sept., 2010.

RIVER RIM RANCH DIVISIONS I AND II, PLANNED UNIT DEVELOPMENT
TETON COUNTY, IDAHO

BIG SKY WESTERN BANK – OWNER

By: Don Chery
Don Chery, Executive Vice-President of GBCI
owner of Big Sky Western Bank

STATE OF Montana)
) :ss
County of Flathead)

On this 28 day of September, 2010, before me a Notary Public for
the State of Montana, personally appeared Don Chery, Executive Vice-President, GBCI,
known to me to be the same and acknowledged to me that he executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal as of
the day and year first above written.



LEEANN WARDINSKY
NOTARY PUBLIC for the
State of Montana
Residing at
Kalispell, Montana
My Commission Expires
July 21, 2011

LeeAnn Wardinsky
(Printed Name)

LeeAnn Wardinsky
(Signature)

Notary Public for the State of Montana
Residing at: Kalispell
My Commission Expires: 7-21-2011

BIG SKY WESTERN BANK – DECLARANT

By: Don Chery
Don Chery, Executive Vice-President of GBCI
owner of Big Sky Western Bank

STATE OF Montana)
) :ss
County of Flathead)

On this 28 day of September, 2010, before me a Notary Public for the State of Montana, personally appeared Don Chery, Executive Vice-President, GBCI, known to me to be the same and acknowledged to me that he executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal as of the day and year first above written.



LEEANN WARDINSKY
NOTARY PUBLIC for the
State of Montana
Residing at
Kalispell, Montana
My Commission Expires
July 21, 2011

Lee Ann Wardinsky
(Printed Name)

Lee Ann Wardinsky
(Signature)
Notary Public for the State of Montana
Residing at: Kalispell
My Commission Expires: 7-21-2011

EXHIBIT A
DESCRIPTION OF COMMON INTEREST COMMUNITY

The Final Division I Subdivision Plat of River Rim Ranch Planned Unit Development as recorded on May 11, 2004, with the office of the Clerk of Teton County, Idaho, as Instrument number 161132 defines and delineates the outside property boundary of River Rim Ranch. Said description also provides, defines, and delineates the Legal Description of Common Interest Community for Division I.

The Final Division II Master Plat for River Rim Ranch, Planned Unit Development as recorded on September 8, 2006, with the office of the Clerk of Teton County, Idaho, as Instrument number 180225 defines and delineates the outside property boundary of River Rim Ranch. Said description also provides, defines, and delineates the Legal Description of the Common Interest Community for Division II.

Therefore, the above Final Plats described above for River Rim Ranch P.U.D. serves as Exhibit "A".

From time to time, should River Rim Ranch expand beyond its existing boundaries, or if other Subdivision Plat adjustments occur, the Description of the Common Interest Community will be adjusted accordingly.

EXHIBIT B
DESCRIPTION OF GOLF LAND

The Final plat of the West Rim Area and Teton Rim Golf Club Area of River Rim Ranch P.U.D. Division II, Phase I as recorded on September 8, 2006 as Instrument number 180225 with the Clerk of Teton County, Idaho defines and delineates the Golf Land more particularly described as Tract J. Therefore, the above referenced plat hereby serves as Exhibit B.

From time to time, should River Rim Ranch expand beyond its existing boundaries or if other Subdivision Plat adjustments occur, the description of The Golf Land will be adjusted accordingly.