

ADA COUNTY RECORDER
J. DAVID NAVARRO
REC'D 9/25/01

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MASTER DECLARATION

OF

COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR

RESOLUTION SUBDIVISION

July 31, 2002

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EXHIBIT A-1 Legal Description Resolution Land
EXHIBIT A-2 Legal Description SMC Land

MASTER DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
RESOLUTION SUBDIVISION

July 31, 2002

ARTICLE I

RECITALS

WHEREAS, Resolution Business Park, LLC is the Owner of certain land in Ada County, Idaho more particularly described on Exhibit A-1 attached hereto and made a part hereof; and

WHEREAS, SMC Properties, LLC is the Owner of certain land in Ada County, Idaho more particularly described on Exhibit A-2 attached hereto and made a part hereof and sometimes referred to herein as the "Multi-Family Site"; and

WHEREAS, Resolution Business Park, LLC is both the Developer and an Owner (sometimes referred to as "Developer/Owner").

WHEREAS, the Grantors have deemed it desirable for the preservation and enhancement of property values and desirability and attractiveness of Resolution Subdivision to create a development of planned land use, quality design and construction with Common Areas and related facilities and to assure adequate and regular maintenance of Common Areas and facilities and to prohibit uses which will be incompatible or undesirable within Resolution Subdivision, hereafter called "Project Objectives";

WHEREAS, the Grantors intend to develop the property as a business park containing facilities for a mix of compatible and complimentary uses such as facilities for research, light manufacturing, technology, commercial, multi-family and office, under the name "Resolution Subdivision";

WHEREAS, Resolution Subdivision will be developed for several homogenous uses, each of which may have different characteristics, needs and requirements, the Grantors will, from time to time, promulgate further covenants, conditions, restrictions, easements,

reservations, limitations and equitable servitude as "Supplemental Declarations" relating to tracts or parcels of real property within Resolution Subdivision;

WHEREAS, the Grantors desire to subject the Property to the covenants, conditions, restrictions, easements, reservations, limitations and equitable servitude herein set forth to promote the proper design, development, improvement and use of the Property by the Grantors and all other persons or entities who may subsequently acquire an interest in the Property;

ARTICLE II DECLARATION

The Grantors hereby declare that the Property described on Exhibits A-1 and A-2, and each lot, tract or parcel thereof (hereafter called "Lot," unless specified to the contrary), and any land brought within the coverage hereof in the future by annexation under Article XI, below, is and shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following covenants and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property or any Lot therein, and to enhance the value, desirability and attractiveness thereof. The covenants and restrictions set forth herein shall run with the land and each estate therein and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any Lot therein; shall inure to the benefit of every Lot and any interest therein; and shall inure to the benefit of and be binding upon the Grantors and each Owner, and each successor in interest of each, and may be enforced by the Grantors and any Owner, or by the Association or Sub-Association, as hereafter provided.

No provision of this Master Declaration or a Supplemental Declaration shall be construed or enforced to prevent or limit the Grantors' right to complete development of the Property in accordance with the plan therefor as the same exists or may be modified from time to time by the Grantors and as approved by the Architectural Control Committee nor prevent normal construction activities during the construction of any Improvement upon any Lot. No development or construction activities shall be deemed to constitute a nuisance or violation of this Master Declaration or a Supplemental Declaration by reason of noise, dust, presence of vehicles or construction machinery, erection of temporary structures, posting of signs or similar activities, provided that the same are actively, efficiently and expeditiously pursued to completion. In the event any dispute concerning the foregoing shall arise, a temporary waiver of the applicable provision(s) of this Master Declaration and/or Supplemental Declaration may be granted by the Architectural Control Committee provided that such waiver shall be for a reasonable period of time. Any such waiver need not be recorded and shall not constitute an amendment of this Master Declaration or any Supplemental Declaration. Notwithstanding the foregoing, any construction adjacent to the Multi-Family Site shall only be conducted between the hours of 8 a.m. and 6 p.m., Monday through Friday, and between 10 a.m. and 4 p.m. on Saturdays and during no other hours whatsoever once the initial phase of the Buildings on the

Multi-Family Site have been completed and are ready for occupancy and thereafter for so long as the Multi-Family Site has not changed its use from residential to a commercial use.

ARTICLE III DEFINITIONS

As used in this Master Declaration, unless the context otherwise specifies or requires, the following words and phrases shall be defined as follows:

Architectural Control Committee: The Architectural Control Committee for Resolution Subdivision. ("ACC")

Assessment: A payment required of Resolution Subdivision Members and the Members of any Sub-Association, including Regular, Special or Limited Assessments as provided in this Master Declaration.

Association: Resolution Business Park Property Owners Association, Inc.

Board: The duly elected and qualified Board of Directors of the Association.

Building: A structure constructed on a Lot on a temporary or permanent basis and unless specified to the contrary, shall include all other appurtenances and improvements thereto or used in connection therewith.

By-Laws: The By-Laws of the Association, including any amendments thereto duly adopted.

Commercial Uses: Commercial, financial, retail and service uses such as child day care, banking, restaurant, conferencing, medical, legal and similar uses which support and compliment the Project Objectives. The ACC shall have the right to approve additional commercial uses not prohibited by Section 5.03 of this Declaration.

Common Area: All real property within Resolution Subdivision in which the Association or a Sub-Association own an interest or controls and which is held or controlled for the betterment of Resolution Subdivision, including easements.

Design Standards: Written standards established by the ACC governing construction, landscaping and design of all Common Area and Improvements.

Developer/Owner: Resolution Business Park, LLC.

Development: The project to be undertaken by the Grantors resulting in the improvement of Resolution Subdivision, including landscaping, amenities, recreational facilities, roadways, utility services and other improvements.

Grantors: Resolution Business Park, LLC and SMC Properties, LLC.

Improvements: All structures and appurtenances thereto of all kinds and types, including but not limited to, buildings, roads, driveways, parking lots, sidewalks, walkways, walks, fences, screens, landscaping, poles, signs and lighting. Improvements shall not include those items which are located totally on the interior of a Building.

Limited Assessment: An Assessment levied by the Association or Sub-Association upon one or more Lots, but not upon all Lots within Resolution Subdivision, for the purpose of securing payment by the Owner(s) thereof of amounts expended by the Association or Sub-Association to correct a condition prohibited or to cure an Owner's breach hereunder.

Lot: A portion of Resolution Subdivision which is a legally described tract or parcel of land within Resolution Subdivision or which is designated as a Lot on any recorded subdivision plat relating to Resolution Subdivision. Also known as ABuilding Lot.®

Master Declaration: This instrument as it may be amended from time to time.

Member: Any person(s) who is an Owner of a Lot within Resolution Subdivision.

Mortgage: Any mortgage or deed of trust or other hypothecation of land located in Resolution Subdivision to secure the performance of an obligation. Unless otherwise specifically provided, the reference to a "Mortgage" in this Master Declaration shall be limited to a "first Mortgage" including a "first Deed of Trust," on a Lot in Resolution Subdivision.

Occupant: Any person, association, corporation or other entity who or which is an Owner, or has leased, rented, been licensed, or is otherwise legally entitled to occupy and use any Building or Improvement on a Lot whether or not such right is exercised, including their heirs, personal representatives, successors and assigns.

Owner: A person or persons or other legal entity or entities, including the Grantors, holding fee simple title to an entire Lot in Resolution Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Plat: A final subdivision plat covering any real property in Resolution Subdivision, as recorded in the office of the County Recorder, Ada County, Idaho, as the same may be amended by duly recorded amendments thereto.

Regular Assessment: An assessment levied by the Association or Sub-Association to provide funds to pay the ordinary estimated expenses of the Association or Sub-Association.

Resolution Subdivision: The whole of the land described on Exhibits A-1 and A-2.

Resolution Business Park Property Owners Association: The Idaho corporation organized by the Grantors and comprised of all of the Members and existing for the purpose of providing self-government for Resolution Subdivision. See "Association."

Special Assessment: An assessment levied by the Association or Sub-Association other than a Regular or Limited Assessment.

Sub-Association: An Idaho non-profit corporation or unincorporated association organized by the Grantors or by any Owner(s) pursuant to a Declaration recorded by the Grantors for any specific tract or parcel within Resolution Subdivision.

Sub-Association Board: The duly elected and qualified Board of Directors of a Sub-Association.

ARTICLE IV PURPOSE

Resolution Subdivision is hereby made subject to the covenants and restrictions contained in this Master Declaration, all of which shall be deemed to be imposed upon and run with the land and each and every Lot and parcel thereof and shall apply to each and every Owner and Occupant thereof and their respective successors in interest, to ensure proper design, development, improvement, use and maintenance of Resolution Subdivision for the purpose of:

(A) Providing a mechanism to facilitate quality of design, development, improvement, use and maintenance as shall protect and enhance the investment and use of all Lots and Improvements and promote the general welfare of Owners and Occupants and their employees.

(B) Encouraging the erection of high quality and attractive Improvements appropriately located within Resolution Subdivision to promote visual quality and harmonious appearance and function.

(C) Providing and maintaining set-backs from streets in Resolution Subdivision and free spaces between Improvements.

(D) Providing off-street parking, loading, maneuvering and circulation facilities.

(E) Promoting attractive landscaping and landscape screening of parking and loading facilities.

(F) Establish a legal entity owned and controlled by the Grantors and the Owners to assure perpetual maintenance of Common Areas and compliance with the terms of this Master Declaration.

ARTICLE V PERMITTED USES AND PERFORMANCE STANDARDS

SECTION 5.01 Use. Lots shall be used only for light industrial, light manufacturing, technology, research, commercial and office purposes, multi-family residential units and such other uses as the Architectural Control Committee shall, in its discretion, allow, provided that no such other use so allowed shall conflict with or be incompatible with the above specifically identified uses. Commercial Uses (as defined in Article III) shall be allowed. All uses shall be in accordance with applicable zoning ordinances and approvals.

SECTION 5.02 Approval of Use and Plans. No Improvements shall be built, constructed, erected, placed or materially altered within Resolution Subdivision unless and until the intended use thereof and the plans, specifications and site plan therefor have been reviewed in advance and approved by the Architectural Control Committee in accordance with the provisions of Article X, below.

SECTION 5.03 Prohibited Uses. Uses not allowed within Resolution Subdivision shall be single-family residential, public storage, recycling, automobile service and repair, and other uses prohibited by the applicable provision of the Meridian City Zoning Ordinances, as the same now exist or may hereafter be amended, provided that any future amendments do not permit uses which are inconsistent or incompatible with the Project Objectives.

No noxious or offensive trades, services or activities shall be conducted on any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the Occupant(s) of any other Lot(s) within Resolution Subdivision by reason or unsightliness or the excessive emission of fumes, odors, glare, vibration, gases, radiation, dust, liquid waste, smoke or noise.

SECTION 5.04 Easements. There is hereby reserved for the use and benefit of the Grantors and granted for the use and benefit of each Lot, and for the use and

benefit of each Owner, and for the use and benefit of the Association, and their successors and assigns for the purposes incident to such use, development and maintenance of Resolution Subdivision, the following easements:

(A) For the installation and maintenance of public utility facilities of all kinds, including radio and television and transmission cables, the easements so designated on the recorded subdivision plat(s) for Resolution Subdivision.

(B) For access to any Common Area as designated on the recorded subdivision plat(s) for Resolution Subdivision, including any equipment or appurtenances used in connection therewith, including any Common Area as may be constructed by the Grantors or the Association within Resolution Subdivision and designated for drainage, irrigation, flood protection, recreation or amenity purposes.

(C) Temporary easements, as necessary, for the purpose of permitting the Grantors or the Association, their contractors and agents, to enter onto those portion of lots contiguous to any Common Area to maintain, replace and restore landscaping and other Improvements within the Common Area, provided that any repairs or restoration of an abutting Lot or the Improvements thereon shall be the obligation of the entity using such easement.

(D) Temporary easements, as necessary, for the benefit of an Owner of a Lot to enter onto the side yards of the abutting Lots during the construction of Improvements, provided that any repairs or restoration of an abutting Lot or the Improvements thereon shall be the obligation of the Owner utilizing the easement.

The easement areas (excluding any equipment or appurtenances owned by the Grantors, the Association or a utility company located thereon) herein reserved shall be maintained by the Owner of the Lot upon which they are situated, except Common Area landscape easements which shall be maintained by the Association.

No improvements shall be placed or permitted to remain on such easement areas located within any Lot which shall materially interfere with the intended use or purpose of such easement(s), and no other activity shall be undertaken on any Lot which will materially interfere with the use and access intended to be provided by such easement or the installation or maintenance of the utilities or other facilities, if any, located thereon or therein.

SECTION 5.05 Lighting. Exterior lighting and interior lights reflecting outside shall not be placed in any manner which shall cause glare or excessive light spillage on a neighboring Lot(s). All free-standing exterior lights shall be installed in accordance with the landscape plan approved by the Architectural Control Committee pursuant to Article X, below.

SECTION 5.06 Grading and Drainage. A site plan indicating the proposed grading and drainage of a Lot must be approved by the Architectural Control Committee before any construction is initiated. Lot grading shall be kept to a minimum and

Buildings are to be located for preservation of the existing grade(s) and any grade(s), berms or swales should be an integral part of the grading design. Subject to the requirements of any governmental entity having jurisdiction thereof, water may drain or flow into adjacent streets but shall not be allowed to drain or flow upon, across or under adjoining Lots or Common Areas, unless an express written easement for such purpose exists.

SECTION 5.07 Maintenance. The following provisions shall govern the maintenance of Lots and all Improvements thereon:

(A) Each Owner of a Lot shall maintain all Improvements located thereon in good and sufficient repair and shall keep the Improvements thereon painted, lawns cut, shrubbery trimmed, windows glazed, rubbish and debris removed, weeds cut and otherwise maintain the same in a neat and aesthetically pleasing condition. Pending the construction of Improvements, each Owner shall keep the Lot in a neat condition and shall not permit an unreasonable accumulation of rubbish and debris and shall keep weeds cut.

(B) In the event all or any portion of the Improvements on a Lot are (i) damaged or destroyed by fire or other casualty, or (ii) taken or damaged as a result of the exercise of the power of eminent domain or any transfer in lieu thereof, the Owner of the Lot on which such Improvements are located shall promptly restore the Improvements, or the remaining portion thereof, to an architectural whole in accordance with plans approved in accordance with Article X, below, or raze the remaining portion of such Improvements. In any event, the Owner shall remove the damaged portion of such Improvements together with all rubble and debris related thereto. All portions of a Lot on which Improvements are razed shall be graded by the Owner in such manner as to not adversely affect the drainage within Resolution Subdivision and shall cover such graded portions of the Lot with a one inch (1") asphalt dust cap and/or a lawn or approved ground cover, which shall thereafter be properly maintained, and shall keep such portions clean and free from debris, all at the Owner's sole cost and expense.

(C) A Building which is vacant for any reason shall be kept locked and the windows glazed in order to prevent entrance by vandals. Vacant Buildings and unimproved Lots shall not be exempt from the provisions of this Master Declaration or a Supplemental Declaration.

(D) All structures, facilities, equipment, objects and conditions determined by the Architectural Control Committee, in its sole discretion reasonably exercised, to be offensive, shall be enclosed within a structure approved by the Architectural Control Committee or appropriately screened from public view. All trash, debris, garbage and refuse shall be kept at all times in a covered container and all such containers shall be kept on a Lot within an enclosed structure or screened from public view.

(E) Except as reasonably required during construction or maintenance of Improvements, goods, machinery, material or similar items shall be stored, kept or maintained

on a Lot in the required set-back area along a public right-of-way or otherwise kept in the open or exposed to public view.

(F) No loading dock shall be constructed on a Lot facing any street, public or private, within Resolution Subdivision unless such loading dock and every part thereof is at least one hundred feet (100') inside the right-of-way line of the street on which such loading dock fronts unless otherwise approved by ACC. All loading areas and loading docks on a Lot shall be screened from public view from any street within Resolution Subdivision.

(G) Owners shall use commercially reasonable efforts to restrict their employees, agents, tenants, and invitees from parking during business hours on the streets, whether public or private, within the business portions of Resolution Subdivision. The within restriction shall not apply to the private streets within the Multi-Family Site with respect to the Owners and tenants thereof and their invitees. All such off-street parking areas shall be paved, striped, landscaped and lighted in accordance with the Design Standards established by the ACC or, if applicable, the requirements of the governmental entities having jurisdiction thereof.

SECTION 5.08 Required Set-Backs. The City of Meridian zoning ordinances will govern the minimum setbacks, but the required setbacks for a particular Lot shall be determined and governed by the Architectural Control Committee.

SECTION 5.09 Landscaping. Subject to the provisions of Section 5.07, all areas of a Lot not covered by a building, parking lot areas, roadways, sidewalks and other non-landscape improvements shall be landscaped in accordance with the following provisions:

(A) The Owner shall prepare a landscape plan and submit the same to the Architectural Control Committee as provided in Section 10.08(c) below. The approval of the Architectural Control Committee shall be obtained prior to the installation and/or construction of any landscaping on a Lot. The landscaping of a lot shall be in accordance with the approved landscape plan.

(B) All landscaping shall be irrigated by an automatic underground sprinkler system.

(C) All landscaping shall be timely and properly maintained in a first class condition and any dead trees, lawn, bushes or other plantings shall be promptly removed and replaced.

(D) The provisions of the Design Standards relating to landscaping and the maintenance thereof shall also be complied with in the planting, installation and maintenance of the landscaping on a Lot.

The landscaping required by the approved landscape plan shall be planted, installed and/or constructed within three (3) months after the issuance of a certificate of occupancy for the building, with a reasonable extension allowed because of weather.

SECTION 5.10 Utilities, Mechanical Equipment and Roof Projections.

All utility lines, of whatever kind, shall be underground. Pad-mounted transformers, switch gear and similar equipment which must be installed above ground shall be screened with suitable landscaping or other approved screening consistent with safety and other regulations of the utility company installing such equipment. All mechanical equipment servicing a Building shall be located or screened so as not to be visible to the general public from any street within Resolution Subdivision. Penthouses and mechanical equipment screen walls shall be of such design and materials which are compatible with those of the Building. Antennae shall be visually masked to the extent practicable and consistent with electromagnetic considerations. Notwithstanding anything contained above, the Multi-Family Site may place individual apartment air conditioning units on pads adjacent to buildings, place individual and clusters of gas and electric meters on the exterior of buildings and otherwise construct the apartments in a manner consistent with the approved plans and similar quality apartment complexes in the greater Boise area, and screened from view.

SECTION 5.11 Signs. The location, type, size, design and material of any sign installed within Resolution Subdivision shall be first approved by the Architectural Control Committee and shall be in compliance with the applicable sign ordinances of Meridian City, Idaho.

(A) The following signs and no others are allowed on a Lot not used for a Commercial Use;

(i) Public necessity signs identifying danger or hazard on or near the premises.

(ii) On-premise business signs directing attention to use, product or service conducted on the Lot on which the sign is located.

(iii) Identification signs indicating the nature of a Building or uses other than industrial or commercial.

(iv) Service signs providing information to the public, such as directions to parking facilities, restrictions on parking and similar information.

(v) Other signs as may be approved by the Architectural Control Committee.

(B) The following additional requirements shall apply to signs for all uses within Resolution Subdivision:

(i) All signs shall be placed on a wall of a Building or free-standing on a Lot. No roof signs shall be permitted. Free-standing signs located on a Lot shall not exceed eight feet (8') in height, and wall signs shall not exceed eighteen percent (18%) of the total exterior wall area, up to a maximum sign area of 75 square feet.

(ii) No sign shall be located closer than fifteen feet (15=) from any front property line of a Lot, with the exception of an identification sign for Resolution Subdivision, and the Multi-Family parcel at its separate entrance on Overland Road.

(iii) A sign may be illuminated but no sign shall be moving, flashing, blinking or fluctuating.

(iv) Where a Building is occupied by more than one (1) Occupant or business entity, all identification signs shall be standardized. The standards must include shape, background color and size which shall be limited to fifty (50) square feet per Occupant, except that if one Occupant occupies a disproportionate greater portion of the Building, such Occupant may make a separate submittal for a sign approval, in which case the size, type and location for the predominant tenant sign shall conform to the requirements herein for an individual sign.

(v) Where four (4) or more Occupants or business entities occupy the same Building or group of Buildings on a Lot under common ownership, a maximum of two (2) approved free-standing directory service signs shall be allowed in addition to the on-premise signs. The size of a free-standing directory sign shall be limited to an area of ten (10) square feet plus two (2) square feet for each business entity occupying the Building provided, however, that the total area of a directory sign shall not exceed seventy-five (75) square feet.

(C) Signs on a Lot used for a Commercial Use shall be subject to such restrictions and limitations as shall be imposed by the Architectural Control Committee and shall be in accordance with the applicable ordinances of Meridian City governing signs.

SECTION 5.12 Mining and Drilling. No Lot shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, steam, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth; provided that the Grantors or the Association may, by permit, grant, license or easement, allow the drilling for and the extraction or water for use within Resolution Subdivision.

SECTION 5.13 Adoption of Rules and Standards. The Architectural Control Committee shall have the power to promulgate non-discriminatory rules and standards relating to the planning, construction, alteration, modification, removal or destruction of Improvements within Resolution Subdivision deemed necessary or desirable by the Architectural Control Committee to carry out the purposes of this Master Declaration. All such rules and standards shall be uniformly enforced and shall be consistent with the provisions of this Master

Declaration. If rules and standards are adopted by the Architectural Control Committee, they shall not apply retroactively to approvals previously granted by the Architectural Control Committee or to Improvements constructed or being constructed pursuant thereto.

SECTION 5.14 Exemption of Grantors. Nothing herein contained shall limit the right of the Grantors to subdivide or re-subdivide any Lot or portion of Resolution Subdivision owned or controlled by the Grantors or to grant licenses, reservations, rights-of-way or easements with respect to Common Areas to utility companies, public agencies or others; or to complete excavation, grading and Development to or on any Lot or other portion of Resolution Subdivision owned or controlled by the Grantors; or to alter the foregoing and its Development plans and designs, or construct additional improvements as the Grantors deem advisable in the course of Development of Resolution Subdivision. This Master Declaration shall not limit the right of the Grantors at any time prior to acquisition of title to a Lot by an Owner to establish on that Lot additional licenses, restrictions, reservations, rights-of-way and easements to itself, to utility companies and to others, as may from time to time be reasonably necessary. The Grantors need not seek or obtain Architectural Control Committee approval of any Improvements constructed or placed within Resolution Subdivision by the Grantors in connection with the Development of Resolution Subdivision, but this exemption shall not apply to Building(s) constructed by the Grantors on a Lot owned by the Grantors.

ARTICLE VI
RESOLUTION BUSINESS PARK PROPERTY OWNERS ASSOCIATION, INC.

SECTION 6.01 Organization of Association. Resolution Business Park Property Owners Association, Inc. shall be organized by the Grantors as an Idaho non-profit corporation and shall be charged with the duties and vested with the powers prescribed by law and set forth in its Articles of Incorporation, its By-Laws and this Master Declaration. Neither said Articles nor said By-Laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration.

SECTION 6.02 Sub-Associations. Until completion of the Development of Resolution Subdivision, the Grantors shall have the sole and absolute right, subject to the prior written consent of the Owners of the Lots within the boundaries of such Sub-Associations, to create one or more Sub-Associations for the purposes not inconsistent with this Master Declaration including, but not limited to, the following which shall be provided for in a Supplemental Declaration:

(A) Acquire and improve any Lot, tract, parcel or portion of Resolution Subdivision.

(B) Promulgate rules and regulations governing Common Area, if any, owned by or under the control of the Sub-Association.

(C) Determine the services, in addition to those furnished by the Association, which are to be furnished to or for the benefit of the Members of the Sub-Association.

(D) Assess and certify to the Association for collection Regular, Special and Limited Assessments required to meet the estimated cash needs of the Sub-Association.

The Articles of Incorporation, By-Laws, rules, regulations and the Supplemental Declaration relating to a Sub-Association shall not be inconsistent with the terms and provisions of this Master Declaration and any inconsistency shall be governed by this Master Declaration.

Except as provided in to the contrary in this Master Declaration or unless specifically provided to the contrary in the Supplemental Declaration relating to a Sub-Association, the provisions of this Article shall be applicable to and shall regulate each Sub-Association.

SECTION 6.03 Multi-Family Sub-Association. So long as Lot 6, Block 1, is used for multi-family purposes, the Owner of Lot 6, Block 1, shall have the right to create a Sub-Association for purposes not inconsistent with this Master Declaration to facilitate operation and maintenance of the Multi-Family Site. Any Multi-Family Sub-Association shall be subject to the restrictions contained in Section 6.02 above.

Nothing herein contained shall restrict or prohibit a Sub-Association from owning, in its own name, Common Area and facilities located thereon and other property related thereto, the use of which shall be restricted to Members of the Sub-Association. However, it is the intent of this Master Declaration that any such Common Area owned by a Sub-Association, the use and maintenance thereof and the activities of the Sub-Association, shall be consistent with and in furtherance of the terms and provisions of this Master Declaration to assure that the whole of Resolution Subdivision is developed, approved and maintained as a first quality Development.

SECTION 6.04 Members. Each Owner (including the Grantors) of a Lot by virtue of its being such an Owner and for so long as such ownership is maintained shall be a member of Resolution Business Park Property Owners Association, Inc., and no Owner shall have more than one membership in said Association, but shall have such voting rights as hereafter set forth. A membership in the Association shall not be assignable, except to the successor-in-interest of the Owner and a membership in the Association shall be appurtenant to and inseparable from the Lot owned by such Owner. A membership in the Association shall not be transferred, pledged, or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer of a membership shall be void and shall not be reflected on the books of the Association.

SECTION 6.05 Voting. Voting in the Association shall be carried out by Members who shall cast the votes attributable to the Building Lots which they own, or attributable to the Building Lots owned by Grantors. The number any Member may cast on any issue is determined by the square footage number of Building Lots which the Member, including Grantors, owns. When more than one person holds an interest in any Building Lot, all such persons shall be Members but shall share the votes attributable to the square footage. For voting purposes, the Association shall have two (2) classes of Members as described below.

6.05.1 Class A Members. Owners other than Developer/Owner shall be known as Class A Members. Each Class A Member shall be entitled to cast one (1) vote for each square foot in Building Lot owned by such Class A Member on the day of the vote.

6.05.2 Class B Members. The Developer/Owner shall be known as the Class B Member, and shall be entitled to twenty-five (25) votes for each square foot in each Building Lot of which Developer/Owner is the Owner. The Class B Member shall cease to be a voting Member in the Association when the total cumulative votes of the Class A Members equal or exceed the total votes of the Class B Members.

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

SECTION 6.06 Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with the Articles and By-Laws, as the same may be amended from time-to-time, and all such Directors and Officers shall serve without compensation.

SECTION 6.07 Powers of Association. The Association shall have all powers of a non-profit corporation organized under the laws of the State of Idaho subject only to such limitations as are expressly set forth in the Articles, the By-Laws or this Master Declaration. It shall have the power to do any and all lawful things which may be organized, required or permitted to be done under the Articles, By-Laws or this Master Declaration, and to do and perform any and all acts which may be necessary or proper for, or incident to, the proper management and operation of the Common Areas and the performance of other responsibilities including, but not limited to, the following:

(A) **Assessments.** Subject to the limitations of Article VII, the power to levy Regular, Special, Limited and Irrigation Assessments on the Owners and/or Lots and to enforce payment thereof in accordance with the provision of this Master Declaration.

(B) **Right of Enforcement.** The power and authority from time to time in its own name, on its own behalf, or on behalf of any Owner(s) who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Articles, By-Laws or this Master Declaration, and to enforce by mandatory injunction or otherwise, all provisions thereof.

(C) **Delegation of Powers.** The authority to delegate its power and duties to committees serving without compensation, officers, employees, or to any person, firm or corporation to act as manager.

(D) **Association Rules.** The power to adopt, amend, and repeal such rules and regulations as the Association deems reasonable. Such rules shall govern the use by Owners and Occupants or any other person of Common Area and other property owned or controlled by the Association; provided, however, Association rules shall not discriminate among Owners and shall not be inconsistent with the Articles, By-Laws or this Master Declaration. A copy of Association rules as they may from time-to-time be adopted, amended, or repealed, shall be mailed or otherwise delivered to each Owner and Occupant. Upon such mailings said Association rules shall have the same force and effect as if they were set forth in and were part of this Master Declaration. In the event of any conflict between an Association rule or any provision of the Articles, By-Laws or this Master Declaration, the conflicting provision of the Association rules shall be deemed superseded to the extent of any such inconsistency.

(E) **Emergency Powers.** The right to enter onto any Lot or into any Building or other structure on a Lot in the event of any emergency involving illness or potential danger to life or property. Such entry shall be made with as little inconvenience to the Owners and Occupants as practicable and any damage caused thereby shall be repaired by the Association unless said entry was necessitated by a condition caused by the Owner or Occupant.

(F) **Fiscal Year.** The right to elect a fiscal year for the Association instead of a calendar year for budget, assessment and accounting purposes.

SECTION 6.08 Duties of Association. In addition to the powers delegated to it by the Articles, By-Laws and this Master Declaration, without limiting the generality thereof; the Association or its authorized agents, if any, shall have the obligation to perform each of the following duties:

(A) **Operation and Maintenance of Common Areas.** Perform, or provide for the performance of the operation, maintenance and management of the Common

Areas, including the repair and replacement of property or Improvements thereon damaged or destroyed by casualty loss and all other property owned by the Association.

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

(C) **Water and Other Utilities.** Acquire, provide and/or pay for water, sewer, refuse collection, electrical, telephone, gas and other necessary services for the Common Areas owned by the Association.

(D) **Identification Signs.** Maintain, repair and replace all permanent entry and special identification signs for Resolution Subdivision whether the same be located within or outside of the boundaries of Resolution Subdivision.

(E) **Insurance.** Obtain and maintain in full force and effect, from reputable insurance companies authorized to do business in the State of Idaho and maintain in effect the following policies of insurance:

(i) Fire insurance, including those risks embraced by coverage of the type now known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreement amount basis for the full insurable replacement value of all improvements, equipment, fixtures, and other property owned by the Association, including such equipment, fixtures and other property not located in the Common Areas, if the same are used or necessary for the use of the Common Areas or easement areas under the control of the Association.

(ii) Comprehensive public liability insurance with limits of not less than \$1,000,000 insuring the Association, the Board, officers, the Grantors and the individual Owners, and agents and employees of each of the foregoing, against any liability incident to the ownership and/or use of the Common Areas owned by the Association or easement areas under the control of the Association. The maximum limits of liability of such coverage shall be as determined by the Board.

(iii) Full coverage directors' and officers' liability insurance in an amount determined by the Board.

(iv) Such other insurance as the Board shall deem necessary or required to carry out the Association's functions or to insure the Association against any loss

from malfeasance or dishonesty of any person charged with the management or possession of any Association funds or other property.

(v) The Association shall be deemed a trustee of the interest of all Owners in any insurance proceeds paid to it under such policies, and shall have full power to receive such proceeds and to deal therewith.

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

(F) **Rule Making.** Make, establish, promulgate, amend and repeal Association rules.

(G) **Architectural Control Committee.** Appoint and remove members of the Architectural Control Committee, all subject to the provision of this Master Declaration.

(H) **Enforcement of Restrictions and Rules.** Perform such other acts, whether or not expressly authorized by this Master Declaration, as may be reasonably necessary to enforce any of the provisions of this Master Declaration, the Association rules and any rules and standards adopted by the Architectural Control Committee pursuant to Section 5.13, above.

SECTION 6.09 Budgets and Financial Statements. Financial statements for the Association shall be regularly prepared and copies distributed to each member as follows:

(A) A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days after the beginning of each fiscal year.

(B) Within ninety (90) days after the close of each fiscal year, the Association, or its agent, shall cause to be prepared and delivered to each Owner, a balance sheet as of the last day of the Association's fiscal year and an annual operating statement reflecting the income and expenditures of the Association for that fiscal year.

SECTION 6.10 Liability of Board Members and Officers. Neither any member of the Board nor any officers of the Association shall be personally liable to any Owner Member or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Board, an officer, a manager or any other representative or employee of the Association, or the Architectural Control Committee, provided that said Board member, officer, manager or other person has, upon the basis of such information as was available, acted in good faith without willful or intentional misconduct.

SECTION 6.11 Effective Date. The provision of this Article VI shall become operative at the time the Grantors create Resolution Business Park Property Owners

Association, Inc., and convey to said Association fee simple title to any Common Area within Resolution Subdivision. Until the effective date, the Grantors shall have the right to exercise all of the powers of the Association set forth in this Master Declaration.

ARTICLE VII ASSESSMENTS

SECTION 7.01 Covenant to Pay Assessments. Each Owner hereby and by acceptance of a deed to a Lot, covenants and agrees to pay the following:

(A) All Regular, Special and Limited Assessments or charges made by the Association of which the Owner is a Member; and

(B) All Regular, Special and Limited Assessments or charges made by a Sub-Association of which the Owner is a Member.

All such Assessments, together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made, and shall be also the personal obligation of the Owner of such Lot at the time when the Assessment became due and payable. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by them, but the lien shall not be affected by a conveyance of title. No Owner may waive or otherwise avoid liability for any Assessment by non-use of the Common Areas or by abandonment of his Lot.

SECTION 7.02 Regular Assessments. Regular Assessments shall be made by the Association at time and intervals deemed appropriate by the Board. The Regular Assessments shall be based upon advance estimates of cash requirements as determined by the Board for the maintenance and operation of the Common Areas and all easement areas, if any, controlled by the Association and for the performance by the Association of its other duties and responsibilities. Such estimates may include, but shall not be limited to, expenses of management, taxes and special assessments of local governmental units, premiums for all insurance which the Association is required or permitted to maintain hereunder, landscaping and care of grounds, lighting, water charges, trash collection, sewerage charges, repair and maintenance, legal and accounting fees, and any deficit remaining from previous periods and the creation of a reserve fund.

SECTION 7.03 Special Assessments. In addition to Regular Assessments, the Association may levy at any time a Special Assessment payable over such period as the Board may deem appropriate for the following purposes:

(A) To defray, in whole or in part, the cost of any construction or reconstruction of improvements on a Common Area, unexpected repair or replacement of a Common Area or any facility located thereon or an easement area controlled by the Association,

the furnishing of a special service or services (other than those appropriate for a Limited Assessment), or for any other expenses incurred or to be incurred as provided in this Master Declaration.

(B) To cure a deficit in the common and ordinary expenses of the Association for which Regular Assessments for a given calendar or fiscal year are or will be inadequate to pay, as determined by the Board.

(C) Notwithstanding anything to the contrary within this Section 7.03 or elsewhere in this Master Declaration, the Owners of the Multi-Family Site shall only be obligated to pay Regular Assessments and Special Assessments and Irrigation Assessments to the extent such assessments reflect the Owner of the Multi-Family Site's share of the expenses expressly provided for in Section 7.06 of this Master Declaration without the prior written consent of the Owner of the Multi-Family Site, which consent may be given or withheld in such Owner's reasonable discretion.

SECTION 7.04 Limited Assessments. In addition to Regular and Special Assessments, Owners shall pay Limited Assessments as follows:

(A) **Maintenance and Repair.** The Association shall have the power to incur expenses for maintenance and repair of any Lot or any Improvements on a Lot, if such maintenance and repair is necessary (in the opinion of the Board) to protect the Common Area or any other portion of Resolution Subdivision, and if the Owner of said Lot has failed or refused to perform said maintenance or repair within a reasonable time not less than fourteen (14) days (except in an emergency) after written notice of the necessity thereof has been delivered by the Board to said Owner. The Board shall levy a Limited Assessment against the Owner of the Lot owned by said Owner to pay for the cost of such maintenance and repair, and any other cost or expense, including attorneys' fees, directly arising out of or incident to such maintenance and repair and the Assessment therefor.

SECTION 7.05 Irrigation Assessments. Resolution Business Park, LLC shall provide an irrigation system for the benefit of all lands to be irrigated within the "Property." The Owners shall share in the cost of the initial construction of such irrigation system pro rata with respect to area to be served by such irrigation system (Lot area for areas within Resolution Subdivision and square footage of any parcels not a part of Resolution Subdivision which are intended to be served by such irrigation system). No parcel of land may be served by such irrigation system unless the system has adequate capacity or the owner of such additional land pays for construction and installation of any improvements necessary to increase the capacity to make it adequate and the owner of such parcel either (i) paid its pro rata share of the initial construction at the time of such construction along with the other Owners or (ii) all of the Owners contributing to the initial construction of said irrigation system approve in writing of the addition of such parcel of land to the area served by the irrigation system and the owner of such additional parcel reimburses all of the Owners pro rata for the share of initial construction which would have been allocable to such land if the owner of such land were an initial contributor.

SECTION 7.06 Limitations on Multi-Family Site Assessments. For so long as the use of the Multi-Family Site has not been changed from residential uses to a commercial use allowed by this Declaration, the Owner of the Multi-Family Site shall pay thirty percent (30%) of the total of (i) the landscape maintenance for the perimeter landscaping along Overland Road and Millennium Boulevard (including lighting within the landscaped areas) and (ii) pressurized irrigation maintenance and operation expense and usual administrative and accounting expenses associated therewith including, without limitation, insurance, general office expenses and reasonable contract management fees (but no employees will be hired) as such property's share thereof and such property's total obligation to pay all Regular Assessments and Special Assessments and Irrigation Assessments pursuant to this Master Declaration, notwithstanding anything to the contrary contained within this Declaration. In the event any additional parcels of land are served by the pressurized irrigation system, the allocable share for the Multi-Family Site shall be adjusted from said 30%, proportionately. The remaining Owners shall divide the remainder of the Association expense, pro rata as to square footage of each Lot as each such Owner's Regular Assessment, Special Assessment, or Irrigation Assessment (as the case may be) pursuant to this Master Declaration.

SECTION 7.07 Set-Up Fee. The initial contribution to the Association (sometimes called a set up fee) shall be retained by the Association as a reserve for operations (and no other uses shall be allowed). SMC Properties, LLC and Developer/Owner have each contributed to the initial construction and operation of the work herein ascribed to the Association and are exempt from the requirement of an initial contribution to the Association. Upon the subsequent conveyance of any Lot by either SMC Properties, LLC or Developer/Owner, at the closing of any such Lot conveyance, the subsequent Owner shall pay to the Association an initial contribution in the amount of \$0.02 per square foot of land conveyed.

SECTION 7.08 Commencement of Regular Assessments. Subject to the provisions of Sections 7.05 and 7.06, Regular Assessments of the Association against each Lot within Resolution Subdivision shall be assessed an annual assessment in an amount to be set by the board. The assessment shall be assessed on March 1 of each year and shall be fully due and payable on April 1 of each year. The board shall set the assessment based upon a budget approved by the membership for annual operation of the business park and common area.

SECTION 7.09 Uniform Rate of Assessment. Except as expressly provided to the contrary in this Master Declaration, Regular and Special Assessments of the Association shall be fixed for each Lot based on the square footage of land within each Lot.

SECTION 7.10 Interest and Penalties. Any Regular, Special or Limited Assessment levied by the Association on Lots within Resolution Subdivision, if not paid when due, shall bear interest at an annual rate as shall be set by the Board from time to time. Such interest shall commence on the date the Assessment becomes due and payable. The right of the Board to charge interest shall be in addition to, and not in lieu of any other right of enforcement or sanction available to the Board in the event of non-payment of an Assessment.

SECTION 7.11 Estoppel Certificate. The Association, upon not less than twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not a particular Owner is in default under the provisions of this Master Declaration and, further, stating the dates to which Assessments have been paid by said Owner. It is intended that any such certificate delivered pursuant to this Section may be relied upon by any prospective purchaser or mortgagee of said Lot but reliance on such certificate may not extend to any default not within the actual knowledge of the Association. The Association shall have the right to charge a reasonable fee for the certification herein provided.

ARTICLE VIII ENFORCEMENT OF ASSESSMENTS

SECTION 8.01 Right to Enforce. The right to collect and enforce payment of the Assessments made by the Association is vested in the Association. Each Owner of a lot hereby agrees to the enforcement of the payment of all Assessments in the manner herein provided. In the event an attorney is employed by the Association for the collection of an Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of any of the terms and conditions of this Master Declaration, the Owner against whom such enforcement is sought shall pay reasonable attorneys' fees in connection therewith.

SECTION 8.02 Creation of Assessment Liens. There is hereby created a continuing claim of lien with power of sale on each and every Lot to secure payment of any and all Assessments levied against such Lot pursuant to this Master Declaration, together with interest thereon and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. Said lien shall be prior and superior to all other liens or claims created subsequent to the recordation of this Master Declaration except only for: (i) valid tax and special assessment liens on Lots in favor of any governmental unit assessing authority; (ii) a lien for all sums unpaid and secured by a first Mortgage or first Deed of Trust, duly recorded in Ada County, Idaho prior to the date of the Assessment which is the subject of such lien, including all unpaid obligatory advances to be made pursuant thereto; and (iii) labor or materialman's liens, if the same are prior by reason of applicable law. All other lien holders acquiring liens on any Lot after recordation of this Master Declaration shall be deemed to consent that such liens shall be inferior liens to the lien for Assessments levied by the Association, whether or not such consent be specifically set forth in the instruments creating such other liens.

SECTION 8.03 Enforcement. Upon the failure of an Owner to pay an Assessment in accordance with its terms, the lien for Assessments herein created may be enforced by sale by the Association, such sale to be conducted in the manner provided by law in Idaho for the exercise of the power of sale in Deeds of Trust or in any other manner permitted by law elected by the Board. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, including all reasonable attorneys' fees. All such costs and

expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the lot which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire and thereafter hold, convey, lease, rent, encumber, use and otherwise deal with and in said Lot as the Owner thereof.

SECTION 8.04 Notice Required. Notwithstanding anything to the contrary contained in this Master Declaration, no action may be brought to foreclose the lien for any Assessment, whether by power of sale or otherwise, until the expiration of thirty (30) days after written Notice of Default has been either (i) personally served on the Owner, or (ii) deposited in the United States mail, certified or registered mail, postage prepaid, return receipt requested, addressed to the Owner of the Lot described in such Notice at the last known address of the Owner as shown on the books and records of the Association, together with a copy sent by regular mail to the address of the Fee Owner on the official tax records of Ada County, Idaho, if such address is different. Said Notice shall specify the amount and due date of the unpaid Assessments(s) and the legal description of the Lot.

SECTION 8.05 Non-Exclusive Remedy. The remedies set forth in this Article or elsewhere in this Master Declaration shall not be deemed to be an exclusive remedy and the Association may pursue all other remedies available at law or in equity.

ARTICLE IX BOOKS AND RECORDS

SECTION 9.01 Right of Inspection. All books, records and minutes of the Board and all other books and records maintained by an Association shall be made available for inspection and copying by any Owner who is a Member thereof or by his duly authorized representative, at any reasonable time and for a purpose reasonably related to his interest as a Member in such Association or at such place and time as the Board shall prescribe, provided such place is within ten (10) miles of Resolution Subdivision and provided the time(s) are reasonable.

SECTION 9.02 Rules Re: Inspection. The Board shall establish reasonable rules with respect to (i) notice to be given to the custodian of the records by the persons desiring to make an inspection or copy the same; (ii) hours and days of the week when such inspection and copying may be made; and (iii) payment of the cost of reproducing copies of documents requested pursuant to this Article.

SECTION 9.03 Director's Right of Inspection. Every member of the Board shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association or the Sub-Association of which he is a director and the physical properties owned or controlled by the same. The right of inspection by a director includes the right to make extracts and copies of any said books, records or documents.

ARTICLE X

ARCHITECTURAL CONTROL COMMITTEE

SECTION 10.01 Members of the Committee. The Architectural Control Committee shall be comprised of at least three (3) persons, all of whom shall be appointed as herein provided. A member of the Architectural Control Committee shall hold office until he has resigned or has been removed. Members of the Architectural Control Committee may be removed at any time, with or without cause.

SECTION 10.02 Appointment. The Owner of the Multi-Family Site shall have the right to appoint and remove one member of the Architectural Control Committee for so long as the residential use of the Multi-Family Site has not changed to an allowed commercial use. So long as the Developer/Owner owns any of the Lots within Resolution Subdivision, the Developer/Owner shall have the right to appoint and remove the remaining members of the Architectural Control Committee. At such time as the Developer/Owner no longer owns at least one Lot in Resolution Subdivision, the Board of the Association shall take the place of Developer/Owner as appointing and removing authority for such remaining members.

The Architectural Control Committee shall have the right by a resolution in writing unanimously adopted, to designate one (1) of its members to take any action or perform any duties for and on behalf of the Architectural Control Committee. In the absence of such designation, the affirmative vote of the majority of the members of the Architectural Control Committee shall constitute an act of the Architectural Control Committee.

SECTION 10.03 Compensation. The members of the Architectural Control Committee shall not receive compensation but shall be entitled to reimbursement for expenses incurred by them in the performance of their duties hereunder.

SECTION 10.04 Non-Liability. Neither the Architectural Control Committee, or any member thereof, or the Grantors or any partner, officer, employee, agent, successor or assign thereof, shall be liable to the Association, any Owner or any other person for any loss, damage or injury arising out of or connected with the performance by the Architectural Control Committee of its duties and responsibilities by reason of a mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve an application. Every person who submits an application to the Architectural Control Committee for approval of plans and specifications agrees, by submission of such an application, and every Owner or Occupant of any Lot agrees, by acquiring title thereof or an interest therein, not to bring any action or suit against the Architectural Control Committee, or any member thereof; to recover such damages.

SECTION 10.05 Approval Required. No construction, material alteration, or material modification of any Improvements shall be permitted within Resolution Subdivision without the prior approval of the Architectural Control Committee. Written application complying with the requirements of Section 10.08 hereof to the Architectural Control Committee shall be submitted to the addresses for Notice to Grantors set forth in Section 12.03 of this

Master Declaration either by hand delivery or by U.S. Mail, certified, return receipt requested, postage prepaid. The Architectural Control Committee shall either approve or disapprove with detailed reasons specified each application by written notice to the applicant at the applicant's address set out in such application within the time frames set out in Section 10.09 of this Master Declaration.

SECTION 10.06 Basis of Approval. Approval by the Architectural Control Committee shall be based, among other things, on the adequacy of the Lot dimensions; conformity and harmony of external design with neighboring Improvements; the effect of location and use of Improvements on neighboring Lots, operations and uses; the relationship of the topography, grade, finished ground elevation and landscaping of the Lot being improved to that of neighboring Lots; proper facing of the main elevation with respect to nearby streets; and the conformity of the plans and specifications to the purpose and general plan and intent of this Master Declaration, Design Standards and applicable rules and standards, if any, adopted by the Architectural Control Committee. The Architectural Control Committee shall not arbitrarily or unreasonably withhold, condition or delay its approval.

SECTION 10.07 Variances. The Architectural Control Committee may authorize variances from compliance with the requirements of any conditions and restrictions contained in this Master Declaration, Design Standards, rules and standards, if any, adopted by the Architectural Control Committee, or any prior approval when, in the sole discretion of the Architectural Control Committee, circumstances such as topography, natural obstructions, aesthetics or environmental considerations or hardship may so require. Such variances must be evidenced in a writing signed by at least two (2) members of the Architectural Control Committee.

If a variance is granted as provided herein, no violation of this Master Declaration, Design Standards, the rules and standards adopted by the Architectural Control Committee or the prior approval shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Master Declaration, Design Standards or the rules and standards for any purpose except as to the particular subject matter of the variance thereof and the specific Lot covered thereby.

The Architectural Control Committee shall have the right to consider and grant a variance as herein provided either with or without notice to other Owners or a hearing of Owners thereon.

SECTION 10.08 Application. To request Architectural Control Committee approval for the construction, material alteration, material modification, removal or demolition of any Improvements within Resolution Subdivision, the Owner shall submit a written application in a form required by the Architectural Control Committee which must be signed by the Owner and contain all information requested and be accompanied by all other material to be submitted as hereafter provided.

All applications must contain, or have submitted therewith, the following material (collectively called Plans and specifications) prepared in accordance with acceptable architectural standards and submitted with the application form, if any, approved by the Architectural Control Committee:

(A) **Site Plan.** A site plan showing the location of the Building(s) and all other structures and Improvements including fences and walls on the Lot, Lot drainage and all set backs, curb cuts, driveways, parking areas and other pertinent information relating to the Improvements.

(B) **Building Plan.** A building plan which shall consist of preliminary or final footprint for the Building(s), elevation drawings of the north, south, east and west sides, and detailed exterior specifications which shall indicate, by sample if required by the Architectural Control Committee, all exterior colors, materials and finishes, including roof; to be used.

(C) **Landscape Plan.** A landscape plan for portions of the Lot to be landscaped which shall show the location, type and size of trees, plants, ground cover, shrubs, berming and mounding, grading, drainage, sprinkler system, fences, freestanding exterior lights, driveways, parking areas and walkways.

The Architectural Control Committee may, in its discretion, require the Owner to furnish additional specifications, drawings, material samples or such other information as the Architectural Control Committee, in its sole discretion, reasonably exercised, shall deem necessary or convenient for the purpose of assisting the Architectural Control Committee in reviewing and processing the application.

The Architectural Control Committee shall have the right to require an Owner submitting an application for approval of plans and specifications to pay a fee at the time the application is submitted, the amount of such fee to be based upon the reasonable and actual expenses of the Architectural Control Committee in reviewing and processing the application. The Architectural Control Committee shall not be obligated to commence the review and processing of an application until all required submissions and such fee, if required is received.

SECTION 10.09 Decision. In reviewing the application and the materials submitted therewith and in reaching a decision thereon, the Architectural Control Committee shall use its best efforts and judgment to assure that all Improvements shall produce and contribute to an orderly and aesthetically complementary design and appearance and be of the quality required to maintain Resolution Subdivision as a first class Development. It is recognized that the Multi-Family Site is an inherently different use than other uses in Resolution Subdivision and the Architectural Control Committee shall not have authority to require modifications or otherwise require compatibility with retail and commercial development within Resolution Subdivision beyond that of the initial designs, it being the intent that the Multi-Family Site will be compared to other quality apartment complexes and to the original approved

plans in making any compatibility determinations and not to dissimilar uses such as retail and other commercial uses. This section shall not be construed to allow modifications to the Multi-Family Site deemed to be incompatible by the Architectural Control Committee with the balance of the Development.

Unless extended by mutual written consent of the Owner and the Architectural Control Committee, the Architectural Control Committee shall render its decision with respect to an application within thirty (30) days after the receipt of a properly submitted application and the processing fee, if any. The decision of the Architectural Control Committee can be in the form of an approval, a conditional approval or denial. The decision of the Architectural Control Committee shall be in writing, signed by member(s) of the Architectural Control Committee making the decision, dated, and a copy thereof mailed to the Owner at the address shown on the application.

A conditional approval shall set forth with particularity the conditions upon which the application is approved and the Owner shall be required to affix a copy of said conditions to the working drawings or blueprints which are to be kept on the job site during the entire course of the work to which said plans relate.

A denial of an application shall state with particularity the reasons for such denial.

If the Architectural Control Committee fails to either approve or disapprove an application (including resubmission of a disapproved application which has been revised by the Owner) within forty-five (45) days after the application has been received by the Architectural Control Committee, it shall conclusively be presumed that said application has been approved subject, however, to the general requirements (except for approvals) set forth in Article V of this Master Declaration. The specification of the foregoing sections shall not relieve or lease the Owner from the obligation to otherwise comply with all of the provisions of this Master Declaration, with the exception that the application approved by inaction shall be deemed to satisfy the requirements of this Article X, requiring the submission and approval of an application prior to commencing construction. Provided, however, if within the initial forty-five (45) day period, the Architectural Control Committee gives written notice to the Owner (or other person submitting the application) to the effect that additional information is needed and an additional forty-five (45) day period is required for review and action on the application, the initial period for approval shall be extended by an additional forty-five (45) days. If, after the expiration of the extended period, the Architectural Control Committee fails to approve or disapprove an application, then it shall be conclusively deemed approved as heretofore provided.

SECTION 10.10 Inspection and Complaints. The Architectural Control Committee is empowered to inspect all work in progress on any Lot within Resolution Subdivision at any time. Such inspection shall be for the purpose of determining whether the Owner is proceeding in accordance with the approved application or is deviating therefrom or is violating this Master Declaration, Design Standards, the rules and standards adopted by the Architectural Control Committee, if any, or the approved plans and specifications.

The Architectural Control Committee is empowered to receive from other Owners ("Complainant") complaints in writing involving deviations from approved applications or violations of this Master Declaration, Design Standards or any applicable rules and standards. In the event the Architectural Control Committee receives such complaint from a Complainant, it shall first determine the validity of such complaint by inspection or otherwise.

Should the Architectural Control Committee determine that there has been a deviation or a violation, it shall promptly issue a notice in writing thereof to the Owner and to the Complainant, which notice shall specify the particulars of the deviation or violation and shall demand that the Owner conform to either or both of the following directives:

(A) The Owner shall immediately cease the activity which constitutes a deviation or violation.

(B) The Owner shall adhere to the corrective measures set forth in the written notice.

Should the Architectural Control Committee determine there has been no deviation or violation, it shall promptly issue a notice of such determination to the Owner and the Complainant.

SECTION 10.11 Enforcement. The Association, the Architectural Control Committee, upon approval by the Board, or any Owner shall be authorized to enforce this Master Declaration by legal or equitable proceedings to correct or enjoin any activity or condition existing within Resolution Subdivision, the continuation of which violates the provisions of this Master Declaration, Design Standards, rules and standards adopted by the Architectural Control Committee, if any, or the approved plans and specifications.

SECTION 10.12 Non-Exclusive Remedy. The right of the Association to levy a Limited Assessment as described in Section 7.04, above, shall not be deemed to be the exclusive remedy of the Association and it may, in its sole discretion, without waiver of any other legal or equitable remedy, pursue enforcement of the lien of the Limited Assessment(s) proceed to collect any amount due directly from the Owner and/or pursue any other remedies available at law or in equity. Nothing in this Master Declaration shall prohibit an Owner from pursuing legal or equitable proceedings against any other Owner for a violation of this Master Declaration.

ARTICLE XI ANNEXATION OF OTHER PROPERTY

SECTION 11.01 Annexation. Additional property may be annexed to Resolution Subdivision and brought within the provisions of this Master Declaration by the Grantors, their successors or assigns, at any time, and from time to time, without the approval of

any Owner of the Association so long as the high quality of the Development intended for Resolution Subdivision is not materially adversely affected. As such annexed property is developed, Grantors shall record a Supplemental Declaration with respect thereto which shall annex such property to Resolution Subdivision and which may supplement this Master Declaration with respect to such property with additional or different covenants, conditions restrictions, reservations and easements as the Grantors may deem appropriate therefor and may delete or modify as to such annexed property such covenants, conditions restrictions, reservations and easements as are contained herein which the Grantors deem not appropriate for the annexed property, so long as the said quality of the Development is not materially adversely affected.

The Board shall have the right to annex additional property to Resolution Subdivision upon the approval by vote or written consent of a majority of all Members entitled to vote.

ARTICLE XII MISCELLANEOUS

SECTION 12.01 Term. The Master Declaration and all covenants and restrictions contained herein shall run until December 31, 2030, unless amended as hereafter provided. After December 31, 2030, this Master Declaration shall be automatically extended for successive period of ten (10) years each, unless extinguished by a written instrument executed by the Owners of at least three-fourths (3/4) of the Lots in Resolution Subdivision and such written instrument is recorded with the Ada County Recorder.

SECTION 12.02 Amendment. This Master Declaration may be amended as follows:

(A) By Owners. Except where a greater percentage is required by an express provision in this Master Declaration, the provisions of this Master Declaration, other than this Section, may be amended by an instrument in writing, signed and acknowledged by the President and Secretary of the Association, certifying that such amendment has been approved by a vote or written consent of Owners, including the Grantors, owning at least fifty-one percent (51%) of the Lots within Resolution Subdivision and such amendment shall be effective upon its recordation with the Ada County Recorder. Any amendment to this Section 12.02 shall require the vote or written consent of all Owners. No amendment to this Master Declaration shall apply retroactively to approvals previously granted by the Architectural Control Committee or to Improvements constructed or being constructed pursuant thereto. Notwithstanding anything to the contrary in this Section 12.02, for so long as the use of the Multi-Family Site has not been changed from residential to an approved commercial use, any amendment to Sections 7.03 (C), 7.06, 7.07, and 10.02 shall require the written consent of the Owner of the Multi-Family Site.

SECTION 12.03 Notices. All notices given pursuant to this Master Declaration shall be in writing and shall be given by personal delivery, by United States Mail, or by United States Express Mail or other established express or courier delivery service (such as

Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the person and address designated below, or in the absence of such designation, to the person and address shown on the then current real property tax rolls of Ada County. All notices to the Grantors shall be sent as follows:

Resolution Business Park, LLC
6223 N. Discovery Way
Boise, ID 83713

and

SMC Properties, LLC
P. O. Box 1030
Meridian, ID 83680

Any person entitled to notice hereunder may change its address at any time by giving written notice to all other parties entitled to notice in the manner specified herein.

SECTION 12.04 Non-Waiver. The failure of the Grantors, the Board or any Owner in any one or more instances to insist upon the strict performance of any of the covenants and restrictions or other provisions of this Master Declaration or to exercise any right or option contained herein, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of such covenants, conditions, restrictions, easements or other provisions, but the same shall remain in full force and effect.

SECTION 12.05 Acceptance. Each Owner of a Lot, each purchaser of a Lot under a contract or agreement of sale and each holder of an option to purchase a Lot, by accepting a deed, contract of sale or agreement or option, accepts the same subject to all of the covenants and restrictions and other provisions set forth in this Master Declaration and agrees to be bound by the same.

SECTION 12.06 Indemnification of Board Members. Each member of the Board and each member of the Architectural Control Committee shall be indemnified by the Owners against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which said member may be a party or in which said member may become involved, by reason of being or having been a member of the Board or the Architectural Control Committee, or any settlement thereof; whether or not said person is a member of the Board or Architectural Control Committee at the time such expenses or liabilities are incurred, except in such cases wherein said person is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of settlement, the indemnification shall apply only when the Board or the Architectural Control Committee approves such settlement and reimbursement as being in the best interest of the Association or Owners. This Section shall extend to and apply also for the indemnification of the Grantors during the initial period of operation of the Association or prior thereof during the period the Grantors are exercising the powers of the Association.

SECTION 12.07 Not a Partnership. The provisions of this Master Declaration are not intended to create, nor shall they be in any way interpreted or construed to create a joint venture, partnership or any other similar relationship between the Owners, including the Grantors.

SECTION 12.08 Third Party Beneficiary Rights. This Master Declaration is not intended to create nor shall it in any way be interpreted or construed to create, any third party beneficiary rights in any person not an Owner, unless otherwise expressly provided herein.

SECTION 12.09 Interpretation. The provision of this Master Declaration shall be liberally construed to effectuate the purpose set forth in Article IV, above, and shall be construed and governed by the laws of the State of Idaho.

Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall include the masculine, feminine or neuter.

All captions and titles used in this Master Declaration are intended solely for convenience or reference and shall not affect that which is set forth in any of the provisions hereof.

SECTION 12.10 Severability. Notwithstanding the provision of the preceding Section, each of the provisions hereof shall be deemed independent and severable and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

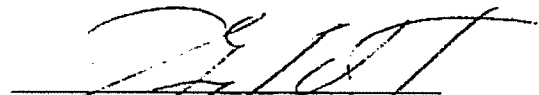
[End of Text]

GRANTORS:

DEVELOPER/OWNER:

Resolution Business Park, LLC
an Idaho limited liability company

By:

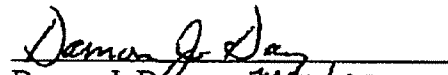


Gary Voigt, Managing Member

OWNER OF MULTI-FAMILY SITE:

SMC Properties, LLC
an Idaho limited liability company

By:

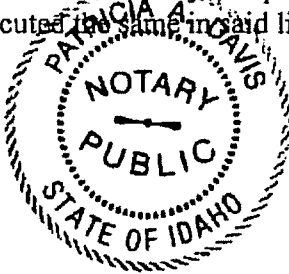


Damon J. Day Member

State of Idaho)
) ss.

County of ~~Ada~~ BONNEVILLE

On this 8th day of ~~July~~ AUG, in the year of 2002, before me, a Notary Public in and for said State, personally appeared Gary Voigt, known or identified to me to be the managing member of Resolution Business Park, LLC, an Idaho limited liability company, the member who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he executed the same in said limited liability company name.

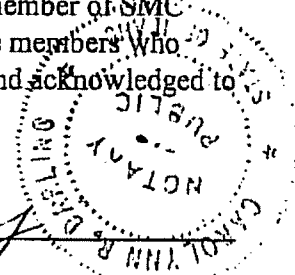


Patricia A. Davis
Notary Public for Idaho
Residing at IDAHO FALLS, ID
My Commission expires 11-18-04

State of Idaho)
) ss.

County of Ada)

On this 1st day of ~~July~~ August, in the year of 2002, before me, a Notary Public in and for said State, personally appeared Damon J. Day, known or identified to me to be a member of SMC Properties, LLC, an Idaho limited liability company, the member or one of the members who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he executed the same in said limited liability company name.



Gary R. Day
Notary Public for Idaho
Residing at Basil
My Commission expires 1/20/04

EXHIBIT A-1

Legal Description

Resolution Business Park, LLC Land

**Being a portion of
Resolution Subdivision No. 1
Ada County, Idaho**

Lots 1, 2, 3, 4, 7, and 8, Block 1; and Lot 1, Block 2; and Lot 1, Block 3; Official Plat of Resolution Subdivision No. 1, as filed in Book 82 of Plats, Pages 9041 and 9042, official records of Ada County, Idaho.

EXHIBIT A-2

Legal Description

SMC Properties, LLC Land

**Being a portion of
Resolution Subdivision No. 1
Ada County, Idaho**

Lot 6, Block 1; Official Plat of Resolution Subdivision No. 1, as filed in Book 82 of Plats, Pages 9041 and 9042, official records of Ada County, Idaho.