



**BERKELEY SQUARE SUBDIVISION
DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS**

THIS DECLARATION, made on the date hereinafter set forth by C-4 Construction L.L.C. hereinafter referred to as "**Declarant**."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in City of Meridian, County of Ada, State of Idaho, which is more particularly described as:

BERKELEY SQUARE, according to the official plat thereof, recorded in Book 85 of Plats at Pages 9518 and 9519, as Instrument No. 102147886, recorded on the 10th day of December 2002, record of Ada County, Idaho;

And

NOW, THEREFORE, Declarant hereby declares that all of the real property described above shall be held, sold and conveyed 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 real property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1

DEFINITIONS

1.1 "**Association**" shall mean and refer to Berkeley Square Subdivision Homeowners' Association, Inc., an Idaho non-profit corporation, its successors and assigns. Any and all provisions contained in the articles of incorporation and bylaws of Berkeley Square Subdivision Homeowners' Association, Inc., as amended from time to time are incorporated herein and made a part hereof.

1.2 "**Common Area**" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

1.3 "**Declarant**" shall mean and refer C-4 Construction, L.L.C., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for their purpose of development.

1.4 "Declaration" shall mean and refer to this Declaration Of Covenants, Conditions & Restrictions recorded in the office of the County Recorder of Ada County, State of Idaho.

1.5 "Dwelling Unit" shall mean any structure intended to be occupied by one family as a dwelling unit, together with the vehicular parking garage next thereto, and all projections therefrom.

1.6 "Limited Common Area" shall mean all real property (including the improvements thereon) depicted on the Plat as "20' Private Common Drive," and owned by the individual Owners of Lots.

1.7 "Lot or Lots" shall mean and refer to any lot shown upon the Plat of the Subdivision that is not identified on the Plat or herein as Common Area.

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

1.9 "Plat" shall mean the subdivision plat for Berkeley Square Subdivision, recorded in Book _____ of Plats at Pages _____ and _____, as Instrument No. _____, recorded on the _____ day of _____ 200_, record of Ada County, Idaho.

1.10 "Subdivision" shall mean and refer to that certain real property described in the Plat.

ARTICLE 2

GENERAL COVENANTS, CONDITIONS, RESTRICTIONS AND STANDARDS

2.1 **Approval of Plans** - No Dwelling Unit, fences, wall, structure, improvement, or obstruction shall be placed or permitted to remain upon any part of the Subdivision unless a written request for approval thereof containing the plans and specifications, including exterior color scheme, has been approved in writing by Architectural Committee, as set forth in Article 3.

2.2 **Floor Area and Building Requirements** - No floor minimum is required for any Dwelling Unit; however, strong architectural control will be exercised. All Lots shall have constructed thereon a single family Dwelling Unit that conforms to the provisions of this Declaration. No split entry homes will be permitted in the Subdivision. No pre-built homes or manufactured homes maybe moved into the Subdivision. No Dwelling Unit shall exceed thirty (30) feet in height. No portion of any Dwelling Unit, such as eaves, steps, or open porches, shall be allowed to encroach upon another Lot.

2.3 Garages and Off-Street Parking - All Lots shall have an enclosed garage which holds no less than two (2) and no more than three (3) cars. All Lots shall have a driveway and a minimum of two (2) off-street automobile parking spaces within the boundaries of each Lot.

2.4 Value - No minimum home value shall be required for any Dwelling Unit. However, strong architectural control will be exercised to ensure the value of other Lots and Dwelling Units within the Subdivision are not adversely affected.

2.5 Exterior Appearance - Plans for each Dwelling Unit in the Subdivision will be individually considered by the Architectural Committee for approval of exterior appearance, including style, roof, colors, and overall appearance. Decorative windows with rounded tops, bay windows, or pop-out box windows, if they are incorporated into the roofline, are encouraged. Box houses with small front windows will not be approved.

2.6 Roof - Broken roof lines, gables, hip roofs, etc. are strongly encouraged. Twenty (20) year architectural shingles are required and shall be black in color. Before the start of construction, the Architectural Committee must approve roofing materials, including colors. No metal or gravel roofs will be allowed.

2.7 Colors - Exterior colors of earth tones or light blues or grays shall be encouraged for the body of the Dwelling Unit. Bright or bold colors or very dark body colors shall be discouraged. Approval of exterior colors, including roof, must be obtained from the Architectural Committee.

2.8 Photo Sensitive Lighting - All front garage exterior lights of every home will have a direct wire to a photo sensor, which will automatically turn on the light at dusk and keep them on until dawn.

2.9 Landscaping - Landscaping of the front yard of each Lot shall be completed prior to occupancy of a Dwelling Unit. Minimum landscaping per Lot shall include an automatic sprinkler system; the sodding of the front yard, and at least two (2) two-inch (2") caliper trees and twelve (12) three (3) gallon shrubs. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval of the Architectural Committee. Yards and landscaping must be well maintained.

2.10 Fences - Fences are not required. If a fence is desired, it shall be six (6) feet tall cedar fencing consistent with the Subdivision's perimeter fencing and shall be approved by the Architectural Committee. Chain link and vinyl fences are prohibited.

Fences shall be built no closer to the front of the Lot than five (5) feet behind the front corner of the Dwelling Unit on either side. Fences shall not extend closer than twenty (20) feet to the front street right-of-way. On corner Lots, fences shall not be built closer than twenty (20) feet to any side street right-of-way without the approval of the Architectural Committee. Fences must comply with all local ordinances. The location of fences hedges, high plantings, obstructions, or

barriers shall be so situated as not to unreasonably interfere with the enjoyment and use of neighboring Lots and streets and shall not be allowed to constitute an undesirable, nuisance, or noxious use. The determination of the Association shall be binding on all parties as to whether an undesirable, nuisance, or noxious use exists. Section 2.11 shall govern fencing for dog runs. Section 2.12 shall govern fencing on any vehicle storage.

2.11 Dog Runs - Dog runs may be permitted along a side fence, but must be no closer than ten (10) feet to the back lot line if that lot line is the boundary of a common area. Dog runs shall be not more than six (6) feet high, and they shall be screened from neighbors' view. The Architectural Committee shall approve dog runs before construction is begun.

2.12 Vehicle Parking and Storage - Parking of boats, trailers, motorcycles, trucks, truck campers, recreational vehicles, or inoperable vehicles or other unsightly vehicles, and like items, shall not be allowed on any part of a Lot nor on public ways adjacent thereto excepting only within the confines of an enclosed garage or other approved enclosure, and no portion of same may project beyond the enclosed area. Any vehicle awaiting repair or being repaired shall be removed from the Subdivision within 48 hours. Parking of automobiles or other vehicles on any Lot or on public ways adjacent thereto shall be prohibited except within garages or other approved areas. Garage driveways shall not be extended on either side for additional parking without Architectural Committee approval. For the purpose of this section, an approved area may be beside the Dwelling Unit, but not on a street side, and consist of a six (6) foot cedar fence enclosure consistent with the perimeter fencing. If the height of the stored item is greater than the height of the front fence, the item must be stored two (2) feet farther from the front fence for each part of a foot the item extends above the fence, and the item must be stored two (2) feet away from any side yard fence for each part of a foot it extends above said fence, but in no case will the item be allowed to be stored if its height is greater than nine (9) feet or length greater than twenty-five (25) feet. The Architectural Committee shall be the sole and exclusive judges of approved parking areas.

2.13 Animals - Keeping or raising of farm animals including, but not limited to, poultry, swine, cows, horses, and rabbits is prohibited. All dogs and cats or household pets kept on Owner's Lot shall be fed and cared for and shall be contained so as not to annoy or trespass upon the use of the property of others. Dogs shall not be allowed to run at large. No more than two (2) cats or two (2) dogs or one (1) cat and one (1) dog may be kept at one time, except that a litter of young may be kept until eight (8) weeks old. Dogs may be kept in a dog run only if such complies with Section 2.11.

2.14 Antennae - Installation of radio and/or television antennae is prohibited outside of a Dwelling Unit without written consent from the Architectural Committee which may require them to be screened from the street view. Satellite dishes or receivers that are smaller than thirty six (36) inches shall not require review or approval by the Architectural Committee.

2.15 Setbacks - No Dwelling Unit shall be located on any Lot nearer than twenty (20) feet from the front lot line and fifteen (15) feet from the rear property line, nor nearer than five (5) feet from the side lot lines. On corner Lots, no Dwelling Unit shall be located nearer than ten (10) feet from the side street line.

2.16 Sight Obstruction - No fence, hedge, or shrub planting will be allowed which obstructs the forty (40) feet sight triangle at street intersections. Landscaping in this sight triangle area must be kept lower than three (3) feet or above seven (7) feet in height. Trees within that triangle must have the foliage line maintained at sufficient height to prevent obstruction of such site lines.

2.17 Easements - Easements are reserved over all Lots as shown on the Plat. An easement for common driveways is granted and reserved as set forth in Note 1 of the Plat. Wherever ingress or egress to a Lot is shown on the Plat as a "20' Private Common Drive," the Owners of all of the Lots served or to be served by such common drive shall be entitled to the full use and enjoyment of the whole common drive and no Owner shall obstruct or inconvenience the free use thereof by any other Owner or said owners invitees or licensees. All "20' Private Common Drives" are Limited Common Area and shall be maintained in conformance with the provisions of Article 7. As designated in Note 4 of the Plat, an easement is reserved along all lot lines for installation and maintenance of public utilities, irrigation, and drainage. Within the easement for public utilities, irrigation, and drainage, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of the utilities or which may change the direction of the flow of the water through drainage channels in the easements. The area of each Lot encumbered easement for public utilities, irrigation, and drainage and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility is responsible.

2.18 Construction Time - Construction of any Dwelling Units in the Subdivision shall be diligently pursued after commencement thereof, to be completed within six (6) months, or as may be extended by the Architectural Committee.

2.19 Type of Dwelling Unit - No building shall be moved onto any Lot. No shack, tent, trailer house, or basement only house, shall be used within the Subdivision for living quarters, permanent or temporary.

2.20 Outbuildings - One (1) outbuilding per Lot, no larger than 100 square feet, will be allowed. All outbuildings shall be constructed of quality building material, completely finished and painted on the outside, and shall be of the same siding, roofing, and colors as the Dwelling Unit. The Architectural Committee must approve all outbuildings.

2.21 Offensive Uses Prohibited - Nothing of an offensive, dangerous, odorous, or noisy endeavor shall be conducted or carried on, nor shall anything be done or permitted in the Subdivision which may be or become an annoyance or nuisance to the other Owners in the Subdivision. Weeds shall be cut to less than four (4) inches in height.

2.22 Operation of Business Within Subdivision - No business shall be conducted on any Lot that is not conducted entirely within the Dwelling Unit of the Owner. Any business conducted within Dwelling Units in this Subdivision must comply with local ordinances. No signs shall be installed to advertise any permitted business. No oil exploration or development of any nature or kind or mining exploration, development or structure shall be permitted upon the Lots in this Subdivision.

2.23 Irrigation Water for Lawn and Yard Sprinkling - The water source for sprinkling all Common Areas shall be provided from a domestic well located within the development. The water source for sprinkling of lawns and other landscaping on all Lots shall be Meridian City's public water system. Each lot will be required to have an individual backflow prevention device at the service connection.

2.24 Sewer Locations - All bathroom, sink, and toilet facilities shall be located inside Dwelling Unit or and shall be connected by underground pipe to wet line sewer connection lines which have been provided to each Lot.

2.25 Signs - No commercial billboard or advertising shall be displayed to the public view on or from any Lot. Owners may advertise a Dwelling Unit and Lot for sale by displaying a single, neat and standard sized sign on a Lot containing only such information as is required to indicate that the property is for sale. No other commercial signs may be displayed on a Lot, including temporary signs advertising the names of the contractor, subcontractors, or financing institutions, unless such signs have been approved, in writing, by the Architectural Committee prior to installation. No real estate signs, or signs of any kind, except for subdivision identification, may be displayed on any Common Area except for the Declarant's designated marketing agent for the Subdivision.

2.26 Waste Disposal - No Lot within this Subdivision shall be used or maintained as a dumping ground for waste material. Incinerators are not permitted. Receptacles for storage of trash, garbage, etc., shall be maintained in a sanitary and clean condition.

2.27 Construction Equipment - No machinery, building equipment, or material shall be stored upon site until the builder is ready and able to immediately commence construction, such building materials must be kept within the Lot upon which the structure is to be erected.

2.28 Damage to Improvements - It shall be the responsibility of the builder of any Dwelling Unit in this Subdivision to leave street, curbs, sidewalks, fences, tiled irrigation lines, if any, and utility facilities free of damage and in good and sound condition at the conclusion of the construction period. It shall be conclusively presumed that all such improvements are in good sound condition at the time building is begun on each Lot unless the contrary is shown in writing at the date of conveyance or by date of possession, whichever date shall first occur, which notice is addressed to a member of the Architectural Committee.

2.29 Common Area - The Common Area shall include Lot 1, Block 1; Lot 8, Block 1; Lot 4, Block 2; Lot 11, Block 2; Lot 18, Block 2; Lot 25, Block 2; Lot 31, Block 2; and Lot 1, Block 3. Declarant shall convey the Common Area to the Association. The Association shall maintain the Common Area in accordance with the requirements of the Plat and this Declaration.

2.30 Local Ordinances - Should the provisions of this Declaration be more restrictive than local ordinances governing this Subdivision, then this Declaration shall control. In the event that local ordinances governing this Subdivision are more restrictive than this Declaration, then the local ordinances shall control.

ARTICLE 3

ARCHITECTURAL CONTROL

3.1 Architectural Committee - No Dwelling Unit or structure shall be constructed in the Subdivision without prior consent of the Architectural Committee. A committee of two (2) persons shall act as the "Architectural Committee" and shall, prior to any new construction in this Subdivision by an Owner or by an Owner's agents and employees, the Owners shall furnish one (1) set of detailed plans, drawings and specifications of any proposed Dwelling Unit to be located in the Subdivision to the Architectural Committee. The Architectural Committee shall have fifteen (15) days to review said plans, drawings, and specifications. No proposed Dwelling Unit or structure shall be deemed to have been approved by the Architectural Committee unless its approval is in writing executed by a member of the Architectural Committee; provided, that approval shall be deemed given if the Architectural Committee fails to approve or disapprove of a proposed change or to make additional requirements or request additional information within twenty-one (21) days after a full and complete description of the proposed change and all additional instruments, documents and plans have been furnished in writing to the Architectural Committee with a written and specific request for approval. The Architectural Committee will hold plans until thirty (30) days after completion. If the Architectural Committee shall approve the proposed Dwelling Unit or structure, or any modification or alteration thereof, they shall so indicate by the dating and signing of the set of plans by one (1) member of the Architectural Committee, and their approval shall be construed as full compliance with the provisions of this Declaration. The Architectural Committee shall have sole discretion to determine what shall be substantial compliance with this Declaration and other conditions that may be required by the Architectural Committee.

The approval by the Architectural Committee of any construction or modification of any Dwelling Unit or structure shall not be deemed a warranty or representation by the Architectural Committee as to the quality of such construction or modification of any Dwelling Unit or structure or that such construction or modification of any Dwelling Unit or structure conforms to any applicable building codes or other federal, state or local law, statute, ordinance, rule or regulation. The Architectural Committee shall not be liable or bear any responsibility for (a) ensuring the structural integrity, quality, soundness or workmanship of any construction or

modification of any Dwelling Unit or structure approved by the Architectural Committee, (b) ensuring compliance with building codes or other governmental requirements or (c) ensuring that all Dwelling Units or structures are of comparable quality, value, size or similar design.

The decision to approve or disapprove proposed plans rests entirely with the Architectural Committee.

The Architectural Committee shall consist of the following:

Valley Property Management	877 N. Liberty Boise, Id	208.658.9164
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Any member of the Architectural Committee is empowered to act for the Architectural Committee. All members of the Architectural Committee shall serve without compensation.

Upon the sale of the last Lot in the Subdivision, the work of the initial Architectural Committee shall be completed, and the initial Architectural Committee members shall be released from all further responsibilities.

Notwithstanding any other provision to the contrary in this Declaration, after the Declarant has sold all the Lots in the Subdivision, and not before, the then directors of the Association shall automatically become the Architectural Committee. Amending this instrument shall not affect this provision.

ARTICLE 4

GENERAL PROVISIONS

4.1 Enforcement - Enforcement against any person or persons violating or attempting to violate any covenant herein after ten (10) days' notice thereof in writing served on the offending any property owners either shall have party at law or equity. In the event of judgment against any person for such, a court may award injunctive relief against any person for such violation, require such compliance as the court deems necessary, award such damages, reasonable attorneys' fees (including any attorneys' fees accrued on account of an appeal of a party), and court costs as may be suffered or incurred, and such other or further relief as may be deemed just and equitable.

Any Owner or the Association 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 any Owner or the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

4.3 Amendment - This Declaration may be amended during the first thirty (30) year period by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots. Any amendment must be recorded.

4.4 Term of Declaration - This Declaration shall run with the land and shall be binding on all persons owning a Lot(s) under them for a period of thirty (30) years from the date of this recording thereof, after which time such Declaration shall be automatically extended for successive periods of ten (10) years, unless at any time after the initial recording of this instrument an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots of this Subdivision has been recorded agreeing to terminate the Declaration, in whole or in part.

ARTICLE 5

COMMON AREA

5.1 Owner's Easement of Enjoyment - Every Owner shall have the right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(i) the right of the Association to charge assessments for the maintenance of the Common Area;

(ii) the right of the Association to charge a setup fee to an Owner when titles to a Lot passes from the Declarant to an Owner other than the Declarant;

(iii) the right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of this Declaration or the Association's rules and regulations; and

(iv) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless the Owners of not less than sixty-seven percent (67%) of the Lots vote in favor at a meeting held in accordance with the articles and bylaws of the Association, and an instrument executed by the Association has been recorded in the appropriate county deed records, agreeing to such dedication or transfer; provided that the public agency accepts such dedication or transfer.

5.2 Delegation of Use - Any Owner may delegate, in accordance with the Association's bylaws his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Subdivision.

ARTICLE 6

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

6.1 Membership - Every Owner of a Lot, which is subject to assessment, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, which is subject to assessment. Every person or entity who is a record owner (including contract sellers) of a fee or undivided fee interest in any Lot shall, by virtue of such ownership, be a member of the Association. When more than one person holds such interest in any Lot, all such persons shall be members, provided however that no more than one (1) vote per Lot within the Subdivision shall be permitted to be cast on matters requiring a vote of the members. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. The Association shall maintain a member list and may require written proof of any member's lot ownership interest.

Any member of record may examine the financial reports, books, and records of the Association, at a reasonable time.

6.2 Classes of Membership - The Association will have two classes of voting memberships.

Class A Membership: Class members shall be the Owners of Lots, with the exception of the Declarant. Each member shall be entitled to cast one vote or fractional vote as set forth herein for each Lot in whom he holds the interest required for membership. Only one vote shall be cast with respect to each Lot. The vote applicable to any Lot being sold under a contract of sale shall be exercised by the contract vendor unless the contract expressly provided otherwise and the Association has been notified, in writing, of such provision. Voting by proxy or written or absentee ballot shall be permitted.

Class B Membership: Class B members shall be the Declarant. The Declarant shall be entitled to six (6) votes for each lot of which Declarant is the record owner.

The Association shall have the right to suspend an Owner's voting rights for all periods during which any assessment against said Owner's property remains unpaid.

6.3 Officers and Directors - Directors and officers of the Association shall be elected and appointed as set forth in the Association's articles and bylaws.

6.4 Common Area - The Association shall have the right to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility, for such purposes and subject to such conditions as the members may agree to. No such condition or transfer shall be effective unless authorized in writing by the Owners of not less than sixty-seven percent (67%) of the Lots and an instrument executed by the Association has been recorded in the appropriate county deed records, agreeing to such dedication or transfer, and a written notice of proposed action is sent to every member not less than ten (10) days nor more than fifty (50) days prior to such dedication or transfer; provided that the public agency accepts such dedication or transfer.

6.5 Association Rules and Regulations. The Association shall have the power to adopt pursuant to its articles and bylaws such rules and regulations for the Subdivision as are reasonably necessary. No violation of any Association rule or regulation, inclusive of the provisions of this Declaration, shall be allowed. If any Owner, Owner's occupants, tenants, family members, invitees, guests and other users authorized by the Owner commits such violation, the Association may, in addition to any other legal remedies it may have, impose a special assessment upon such Owner of not more than Fifty Dollars (\$50.00) for each such violation for each day that such violation continues. Before invoking such assessment, the Association shall give such Owner sixty (60) days' written notice to cure such violation and/or to be heard by the Association regarding the violation and any potential special assessment. If such violation is of a nature that it cannot be remedied within sixty (60) days, no assessment shall be invoked so long as the Owner submits a remediation plan to the Association to remedy the violation within a reasonable time and such Owner diligently pursues such plan to completion. If an Owner violates any rule, regulation or provision of this Declaration more than twice within any three (3) year period, regardless of whether the rule, regulation or provision of this Declaration that has been violated is the same, the accrual of such assessment shall begin three (3) days after the Association gives notice of such violation rather than sixty (60) days after such notice. Such additional assessments may be collected and enforced in the same manner as any other assessment provided for under this Declaration. Each remedy provided in this Declaration or by law shall be cumulative and not exclusive. The failure to enforce any of the provisions of this Declaration at any time shall not constitute a waiver of the right to enforce such provision thereafter.

ARTICLE 7

COVENANT FOR MAINTENANCE ASSESSMENTS

7.1 Association Maintenance - The Association is authorized, but not limited, to performance of the following: prepare an annual budget which shall indicate anticipated management, operating, maintenance, repair, and other common expenses for the Association's next fiscal year and which shall be sufficient to pay all estimated expenses and outlays of the Association for the next calendar year growing out of or in connection with the maintenance and operation of Common Areas and improvements and may include, among other things, the cost of maintenance, management, special assessments, fire, casualty, and public liability insurance, common lighting, landscaping, and care of grounds, repairs, renovations, and paintings to

Common Areas, snow removal, wages, water charges, legal and accounting fees, management, fees, expenses and liabilities incurred by the Association from a previous period, and the creation of any reasonable contingency or other reserve fund, as well as all costs and expenses relating to the Common Area and improvements. The Association shall be responsible for the repairs, upkeep and maintenance, normal servicing, gardening, care, and safety, annual planting of flowers (if any), payment of bills, and related expenses for any Common Area. The Association shall also maintain all Limited Common Area, including the improvement, repair, replacement, and maintenance of all Private Common Drives depicted on the Plat.

7.2 Creation of the Lien and Personal Obligation of Assessments - The Declarant, for each Lot owned within the Subdivision, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) an initial assessment of Two Hundred Dollars (\$200) for each Lot payable at closing, and (ii) annual assessments or charges, and (iii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each Owner, other than the Declarant, by becoming the Owner of a Parcel, is deemed to covenant and agree to pay to the Association all assessments, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. However, the personal obligation for delinquent assessments shall pass to his successors in title.

7.3 Purpose of Assessments - The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Subdivision and for the improvement and maintenance of the Common Area and Limited Common Area in conformance with Section 7.1.

7.4 Annual Assessments - Annual assessments, or Association dues, shall be levied by the Association to maintain the Common Area and Limited Common Area and cover other costs incurred by the Association for the benefit of the Owners. These costs will be pro rated amongst the Lots in the Subdivision.

For the year 2002 the maximum annual assessment shall be Two Hundred Dollars (\$200.00) Lot for Class A Members of the Homeowners Association. Class B members shall pay a maximum of twenty-five percent (25%) of the amount of the annual assessment for Class A members.

(i) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership.

(ii) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above fifteen percent (15%) by a majority vote of a quorum of members who are voting in person, by proxy, or by written ballot at a meeting duly called of the Association, as set forth in the articles and bylaws of the Association.

(iii) The Association may fix the annual assessment at an amount not in excess of the maximum.

7.5 Special Assessments for Capital Improvements - In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area or Limited Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of the Owners of not less than sixty seven percent (67%) of the Lots as evidenced by the votes entitled to be cast by voting in person, by proxy, or a written ballot submitted at a meeting duly called for this purpose.

7.6 Uniform Rate of Assessment - Both annual and special assessments must be fixed at a uniform rate for all Lots in each class of membership and may be collected on a monthly, quarterly, or annual basis at the discretion of the board of directors.

7.7 Date of Commencement of Annual Assessments: Due Dates - The annual assessments provided for herein shall commence at the time of the conveyance of each Lot to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The board of directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual, assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the board of directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate by an officer of the Association setting forth whether the assessments on the specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

7.8 Effect of Nonpayment of Assessments: Remedies of the Association - Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Association, or any Owner, may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

7.9 Subordination of the Lien to Mortgages - The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage

foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

7.10 Property Exempt from Assessments - The following property subject to this declaration shall be exempt from the assessments created herein:

- (i) all property expressly dedicated to and accepted by a local public authority;
- (ii) any local property by the Association.

DECLARANT:

C-4 Construction, L.L.C.,
an Idaho limited liability company

Wesley Jay Centers
By: Wesley Jay Centers
Managing Member

