



**SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS**

FOR

SETTLEMENT BRIDGE SUBDIVISION NO. 5

THIS SUPPLEMENTAL DECLARATION is made on the date hereinafter set forth by Frostback, LLC, an Idaho limited liability company, Prairie Rose, LLC, an Idaho limited liability company, hereafter referred to as the "Undersigned".

WITNESSETH

WHEREAS, the Undersigned are the owners of certain real property in Ada County, State of Idaho, hereinafter referred to as "the Properties," more particularly described as follows:

Lots 15 through 20, 28, 33 through 37, and 43 through 47, Block 15, Settlement Bridge Subdivision No. 5 according to the official plat thereof, recorded on November 7, 2006 in Book 96 of Plats at Pages 12041 through 12044 as Instrument No. 106175717 records of Ada County, Idaho; and

WHEREAS, Settlement Bridge Subdivision No. 5 Declaration of Covenants, Conditions and Restrictions was heretofore recorded on November 28, 2006, as Instrument No. 106185797, records of Ada County, Idaho (the "Original Declaration"); and

WHEREAS, the Undersigned desire to subject the above described Properties to certain additional protective covenants, conditions, restrictions, reservations, easements, liens, and charges for the benefit of the Properties and their present and subsequent Owners as hereinafter specified, and will convey the Properties subject thereto;

NOW, THEREFORE, the Undersigned hereby declare that all of the Properties above described, shall be held, sold and conveyed upon and subject to the easements, conditions, covenants, restrictions and reservations hereinafter set forth, in addition to those set forth in the Original Declaration, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of, and which shall run with the Properties and be binding on all parties now or hereafter having any right, title or interest therein or to any part thereof, and shall inure to the benefit of each owner thereof. It is the intention of the Undersigned that the provisions of the Original Declaration and this Supplemental Declaration be read together, as a whole, so that the provisions of the Original Declaration and this Supplemental Declaration shall, to the maximum extent possible, both be applicable to the Properties except to the extent the provisions of this Supplemental Declaration shall specifically modify or supersede the provisions of the Original Declaration. By way of example but not by limitation, the Owners of Lots in the Properties shall be members of both the Settlers Bridge Neighborhood Association, Inc. (the

"Master Association") and Settlement Bridge No. 5 Owners Association, Inc. (the "Association"), shall be entitled to all rights and benefits and subject to all obligations and duties of membership in each and shall be subject to the assessments of each. Any provision of the Original Declaration not specifically amended, modified, superseded, terminated or otherwise addressed in this Supplemental Declaration shall be fully applicable to the Properties as if repeated herein in full.

ARTICLE I: DEFINITIONS

The following terms shall have the following meanings:

Section 1. "ASSOCIATION" shall mean and refer to Settlement Bridge No. 5 Owners Association, Inc. a non-profit corporation organized under the laws of the State of Idaho, its successors and assigns.

Section 2. "PROPERTIES" shall mean and refer to that certain real property hereinabove described.

Section 3. "MASTER ASSOCIATION" shall mean Settlers Bridge Neighborhood Association, Inc.

Section 4. "LOT" or "LOTS" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 5. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "DECLARATION" shall mean and refer to this Supplemental Declaration of Covenants, Conditions and Restrictions.

Section 7. "DWELLING UNIT" shall mean that portion or part of 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.

Section 8. "PLAT" shall mean a final subdivision plat covering any real property in Settlement Bridge Subdivision No. 5 as recorded in the office of the county recorder, Ada County, Idaho, as the same may be amended by duly recorded amendments thereto.

Section 9. "SUBDIVISION" shall mean the Settlement Bridge Subdivision No. 5 as shown on the final Plat recorded in the Office of the County Recorder, Ada County, Idaho.

ARTICLE II: OWNERS ASSOCIATION

Section 1. Membership: Every Owner of a Lot shall, in addition to being a member of the Master Association, be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the payment of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Such ownership shall be the sole qualification for membership and shall automatically commence upon a person becoming such Owner and shall automatically terminate and lapse when such ownership in said property shall terminate or be transferred.

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

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

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

- A. When the total votes outstanding in the Class A memberships equal the total votes outstanding in the Class B membership; or
- B. On December 31, 2014.

Section 3. Assessments:

- A. Creation of Lien and Personal Obligation of Assessments: 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:
 - 1. Regular annual or other regular periodic assessments or charges; and
 - 2. Special assessments, such assessments to be fixed, established and collected from time to time as hereinafter provided.

The regular and special assessments, together with interest, costs of collection and reasonable attorney's fees shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest, costs of collection and reasonable attorney's fee, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The obligation shall remain a lien on the Lot until paid or foreclosed, but

shall not be a personal obligation of successors in title, unless expressly assumed. The assessments provided for herein shall be in addition to those provided for in the Original Declaration.

- B. Purpose of Assessments: The assessments levied by the Association shall be used for the reasonable expenses incurred in the operation of the affairs of the Association, for the expenses incurred by the Association in connection with any of its obligations contained in this Declaration or in the Bylaws of the Association, and for any other purpose reasonably authorized by the Directors of the Association.
- C. Maximum Annual Assessment: Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$372.00. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the Board of Directors of the Association may fix the annual assessment at an amount necessary to provide for the reasonable expenses of the Association; and said assessment shall be payable to the Association in regular monthly, quarterly, semi-annual or annual installments as may be determined by the Board of Directors.
- D. Special Assessments: In addition to the regular assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for any of the Association's obligations set forth herein, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of those members who are voting in person or by proxy at a meeting duly called for this purpose. Any such special assessment shall be payable over such a period as the Association shall determine.
- E. Notice and Quorum for Any Action Authorized Under Section 3D: Written notice of any meeting called for the purpose of taking any action authorized under Section 3D, above, shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.
- F. Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate for non-exempt Lots.
- G. Date of Commencement of Annual Assessments; Due Dates: The annual assessments provided for herein shall commence as to a Lot sold on the first day following the initial conveyance of the said Lot. The first annual assessment shall be adjusted according to the number of days 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 signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

- H. Effect of Nonpayment of Assessments; Remedies of Association: In the event any assessment is not paid within thirty (30) days after the due date, the Owner shall be subject to a late fee in the amount of \$25.00 for each month or part thereof that the assessment shall be delinquent, which said late fee shall be added to and become a part of the assessment provided for in this section. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.
- I. 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.
- J. Exempt Property: All Lots owned by the Undersigned, until title is transferred to another, or until occupancy, whichever occurs first, shall be exempt from the assessments created herein.

ARTICLE III: MAINTENANCE RESPONSIBILITY

Section 1. By Association: The Association shall provide all reasonably required maintenance and repairs to the following elements of the Properties: (a) mowing the lawns of all front and back yards of each Lot, (b) fertilizing of all landscaped areas in the front and back yards of each Lot, (c) maintaining the sprinkler irrigation system on each Lot, (d) maintenance of flower beds and shrubbery in the front yards of each lot, and (e) shall provide snow removal for all sidewalks and driveways. In the event the need for maintenance or repair is caused through the willful or negligent act of an Owner, his family, guests or invitees, the costs of such maintenance or repairs shall be added to and become part of the assessment to which such Owner's Lot is subject. The Association reserves an easement for ingress, egress and maintenance as may be reasonably necessary to perform the maintenance duties of the Association.

Section 2. By Owner: Each Owner shall maintain and keep in good order and repair the exterior of his Dwelling Unit, including but not limited to the roof thereof, any private decks, fences, and courtyards, and all flower beds and shrubbery located in the rear yard of each Lot. In the event any Owner fails to comply with its duties as set forth herein, the Association shall have the right to take such legal action as may be necessary in order to compel such compliance. In the event of damage or destruction of a Dwelling Unit by fire or other casualty, the owner must complete repair and/or replacement of the Dwelling Unit within ninety (90) days of the damage or destruction.

Section 3. Modification of Original Declaration: The provisions of this Article III are specifically intended to supercede and modify the provisions of Section 11(b) of the Original Declaration.

ARTICLE IV: INSURANCE AND BOND

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

- A. A comprehensive policy of public liability insurance covering the activities of the Association. Such insurance policy shall contain a severability of interest endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use.
- B. Workmen's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

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

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

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

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

ARTICLE V: MORTGAGEE PROTECTION

Notwithstanding anything to the contrary contained in this Declaration or in the Articles or Bylaws of the Association:

- A. The Association shall maintain an adequate reserve fund for the performance of its obligations, and such reserve shall be funded by at least quarterly assessments.
- B. The holders of First Mortgages shall have the right to examine the books and records of any Association and to require annual reports or other appropriate financial data.
- C. Any management agreement for the Properties or any other contract providing for services of the developer, sponsor or builder, shall be terminable (i) by the contracting Association for cause upon thirty (30) days' written notice thereof, and (ii) by either party without cause and without payment of a termination fee on ninety (90) days' or less written notice thereof, and the term of any such agreement shall not exceed one (1) year.
- D. Any lien which the Association may have on any Lot for the payment of assessments attributable to such Lot will be subordinate to the lien or equivalent security interest of any Mortgage on the Lot recorded prior to the date notice of such assessment lien is duly recorded.

- E. Unless all institutional holders of First Mortgages have given their prior written approval, no Association shall:
1. Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.
 2. By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Dwelling Units or the upkeep of lawns and plantings in the subdivision.
 3. Amend materially this Declaration, the Association's Articles of Incorporation, or its Bylaws.

ARTICLE VI: ANNEXATION

Section 1. Time for Annexation; Land Subject to Annexation: The Declarant hereby reserves the right to annex any other real property into the townhome project described herein by recording a Notice of Annexation or Supplemental Declaration particularly describing the real property to be annexed and added to the project created by this Declaration, pursuant to the provisions of this Article.

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

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

A. A reference to this Declaration, which reference shall state the date of recordation hereof and the Recorder's instrument number or the book and page of the official records of the County where this Declaration is recorded;

B. An exact legal description of the added land;

- C. A statement that the provisions of this Declaration shall apply to the added land, except as set forth therein; and
- D. A statement of the use restrictions applicable to the annexed property, which restrictions may be the same or different from those set forth in this Declaration.

Section 3. De-Annexation: Declarant may delete all or a portion of the property described in this Declaration and any annexed property from the Properties and from coverage of this Declaration and the jurisdiction of the Association, so long as Declarant is the owner of all such property and provided that a notice of de-annexation is recorded in the official records of the County where this Declaration is recorded in the same manner as a notice of annexation. Members other than Declarant as described above, shall not be entitled to de-annex all or any portion of the Properties except on the favorable vote of all Members of the Association and approval of Declarant so long as Declarant owns any Lot, part, parcel or portion of the Properties.

ARTICLE VII: GENERAL PROVISIONS

Section 1. Enforcement: The Association or any Owner or the owner of any recorded mortgage upon any part of said property, shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In the event the Association or an Owner is required to initiate any action to enforce the provisions of this Declaration, it shall be entitled to recover from the Owner against whom enforcement is sought, all attorney fees and costs incurred as a consequence thereof, whether or not any lawsuit is actually filed, and any such attorney fees and costs so incurred by the Association shall be added to and become a part of the assessment to which such Owner's Lot is subject.

Section 2. Severability: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment: The covenants and restrictions of this Declaration shall run with the land and shall inure to the benefit of and be enforceable by the Association or the legal Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. Except as otherwise provided herein, any of the covenants and restrictions of this Declaration, except the easements herein granted, may be amended at any time by an instrument signed by members entitled to cast not less than sixty-six and two-thirds percent (66-2/3%) of the votes of membership. Any amendment must be recorded.

Section 4. Assignment by the Undersigned: Any or all rights, powers and reservations of the Undersigned herein contained may be assigned to the Association or to any other person,

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

Section 5. Dispute Resolution: All Disputes (as defined herein below) arising between the Undersigned and the Association [or any member thereof] shall be finally determined by arbitration pursuant to the applicable rules of the American Arbitration Association. Arbitration may be commenced by either party by filing a demand for arbitration with the American Arbitration Association. Judgment upon the award rendered by the arbitrator in any arbitration in which the Undersigned and the Association are among the parties, shall be final and binding and may be entered in any court having jurisdiction thereof. As used herein, the term "Disputes" shall include without limitation any controversy between the Undersigned and the Association (whether or not the controversy includes third parties) arising in any way out of this Declaration or its interpretation; the Undersigned's work in developing and constructing the subdivision and any improvements therein, including without limitation construction defects; and the formation, operation or control of the Association. Disputes include any cause of action whether arising in tort, contract, statute or otherwise. The exclusive venue for all proceedings conducted under this section shall be in Ada County, Idaho.

IN WITNESS WHEREOF, the Undersigned have caused their names to be hereunto subscribed this 15th day of October, 2007.

Frostback, LLC

By Edward J. Mason
Edward J. Mason, Manager

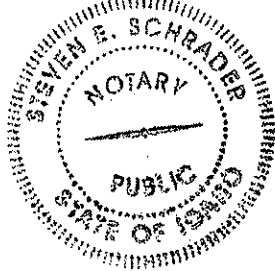
Prairie Rose, LLC.


By Edward J. Mason
Edward J. Mason, Manager

STATE OF IDAHO)
 : ss.
County of Ada)

On this 15th day of October, 2007, before me, the undersigned Notary Public in and for said State, personally appeared Edward J. Mason, known or identified to me to be a Managing Member of Frostback, LLC, an Idaho limited liability company that executed the within instrument, or the person who executed the instrument in behalf of said limited liability company, and acknowledged to me that such Frostback, LLC executed the same.

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

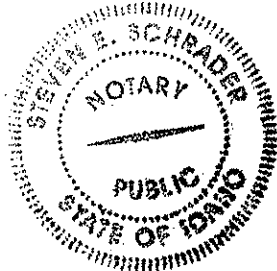




Notary Public for Idaho
Residing at Ada County
My Commission Expires 1/26/2012

STATE OF IDAHO)
 : ss.
County of Ada)

On this 15th day of October, 2007, before me, the undersigned Notary Public in and for said State, personally appeared Edward J. Mason, known or identified to me to be a Managing Member of Prairie Rose, LLC, an Idaho limited liability company that executed the within instrument, or the person who executed the instrument in behalf of said limited liability company, and acknowledged to me that such Prairie Rose, LLC executed the same.

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




Notary Public for Idaho
Residing at Ada County
My Commission Expires 1/26/2012



SETTLEMENT BRIDGE SUBDIVISION No. 5
(also known as Settlers Bridge Subdivision No. 5)
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by CAPITAL DEVELOPMENT, INC., hereinafter referred to as "Declarant."

WITNESSETH:

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

Lots 13 through 48 Block 15 inclusive of Settlement Bridge Subdivision No. 5, a parcel of land located in the N 1/2 of the NW 1/4 of Section 32, Township 4N, R. 1E, Boise-Meridian, Ada County, Idaho

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, covenants, conditions and restrictions, 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 properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

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

Section 1. "Architectural Control Guidelines" also referred to as ACC's or ACC Guidelines, shall mean one of two documents given to the buyer of a Lot in Settlement Bridge (also known as Settlers Bridge) that outlines the requirements necessary to build a home on said Lot. This document is not meant to replace the Covenants, Conditions and Restrictions (CC&R's) of the subdivision but to support them. Buyer agrees to abide by both documents.

Section 2. "Articles" shall mean the Articles of Incorporation of the Association or other organizational or charter documents of the Association.

Section 3. "Assessments" shall mean those payments required of Owners and Association Members.

Section 4. "Association" shall mean and refer to the SETTLERS BRIDGE NEIGHBORHOOD ASSOCIATION, INC., its successors and assigns.

Section 5. "Board" shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

Section 6. "Building" shall mean a structure constructed on a Lot on a temporary or permanent basis and unless specified to the contrary, shall include all appurtenances and Improvements thereto or used in connection therewith.

Section 7. "Bylaws" shall mean the Bylaws of Association, including any amendments thereto duly adopted.

Section 8. "Common Area" shall mean all real Property (including the Improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

Section 9. "Declarant" shall mean and refer to Capital Development, Inc., husband and wife, their successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for their purpose of development succeed to the Ownership of Declarant's interest in the whole of the Property.

Section 10. "Declaration" shall mean this Declaration as it may be amended from time to time. Declaration is from time to time also referred to as "CC&Rs" or "covenants."

Section 11. "Improvement" shall mean any structure, facility or system, or other Improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, streets, drives, driveways, sidewalks, curbs, landscaping, signs, street signs, lighting, street lights, mail boxes, electrical lines, pipes, pumps, ditches, walkways, poles, swimming pools and other recreational facilities, storm water and/or drainage facilities, and fixtures of any kind whatsoever.

Section 12. "Limited Assessment" shall mean a charge against a particular Owner and such Owner's Lot, directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration including interest thereon as provided in the Declaration.

Section 13. "Lot" shall mean and refer to any Lot of land shown upon any recorded Subdivision map of the Properties upon which Improvements may be constructed with the exception of any Common Area.

Section 14. "Member" shall mean each Person or entity holding a Membership in the Association.

Section 15. "Owner" shall mean the Person or other legal entity, including Declarant, holding fee simple interest of record to a Lot which is a part of the Property, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, but including any mortgagee (of any priority) or other security holder provided said mortgage or other security holder is in actual possession of a Lot as a result of foreclosure or otherwise and any Person taking title through such mortgagee or other security holder by purchase at foreclosure sale or otherwise.

Section 16. "Patio Home" shall mean a single dwelling unit with no common wall and which may have reduced square footage. Patio Homes or Townhomes are allowed only in specified sections of the Subdivision (see Article III).

Section 17. "Person" shall mean any individual, partnership, corporation or other legal entity.

Section 18. "Phase" - Each parcel of land subdivided using the same name will be identified by a consecutive number beginning with No. 1 and will be known as a "Phase."

Section 19. "Plat" shall mean any Subdivision Plat covering any portion of the Property as recorded at the office of the County Recorder, Ada County, Idaho, as the same may be amended by duly recorded amendments thereof.

Section 20. "Property" shall mean and refer to that certain real Property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 21. "Regular Assessment" shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Areas and all Improvements located thereon, and the other costs of the Association, which is to be levied against the Property for and paid by each Owner to the Association, pursuant to the terms hereof or the terms of this Declaration.

Section 22. "Special Assessment" shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments that are authorized and to be paid by each Owner to the Association, pursuant to the provisions of this Declaration.

Section 23. "Subdivision" shall mean the Settlement Bridge Subdivision No. 5, (also known as Settlers Bridge Subdivision).

Section 24. "Townhome" shall mean one of two living units joined by a common wall or zero Lot line setback on one side and may have reduced square footage. Townhomes are allowed only in specified sections of the Subdivision (see Article III).

ARTICLE II

GENERAL COVENANTS, CONDITIONS, AND RESTRICTIONS

Section 1. "Approval of Plans" - No building, fence, wall, structure, improvement, or obstruction shall be placed or permitted to remain upon any part of said properties unless a written request for approval thereof containing the plans and specifications, including exterior color scheme, has been approved in writing by the Architectural Control Committee as provided herein. The decision to approve or disapprove proposed plans rests entirely with the Architectural Control Committee (ACC).

Section 2. "Floor Area" - The floor area of a one-story house in this Subdivision shall not be less than 1301 square feet on the ground floor. For the purpose of the Covenants, eaves, steps, and open porches shall not be considered as part of a Building, provided, however, that this shall not be construed to permit any portion of a Building on a Lot to encroach upon another Lot.

Two story homes shall not have less than 1000 square feet on the main level and 1600 total square feet minimum, unless otherwise approved, exclusive of covered porches, entrances, or patios. All two-story and tri-level detached homes shall not have less than 1000 square feet on the main level. For Patio Homes or Townhomes, lesser square footages may be allowed if approved by Architectural Control Committee (See Article III). No split entry homes, mobile homes, or pre-built homes are allowed. No residence shall be in excess of two stories above ground. No shack, tent, trailer house, or basement only house shall be used within the Subdivision for living quarters, permanent or temporary.

Section 3. "Garages" - All houses shall have an enclosed garage, which holds no less than two cars and no more than three. Four or five car garages are allowed if parking is in tandem. All floor area requirements listed in Section 2, above, shall be exclusive of the required garage area. All garages shall be attached and match the construction standards of the house as well as be constructed of good quality material and workmanship.

Section 4. "Off-street Parking" - All Lots shall have a driveway that allows a minimum of two off-street automobile parking spaces within the boundaries of each Lot.

Section 5. "Value" - The appraised value of units shall exceed a minimum of \$160,000.00 based on July 2004 values. **For Patio Homes or Townhomes see Article III.**

Section 6. "Exterior Appearance" - Each house in this Subdivision shall have stone or stucco on the front exposure. As a minimum, 60 percent of the front elevation of the home shall be stone or stucco, excluding doors and windows. Minimal reduced percentages may be allowed ONLY if the home has a substantially upgraded front elevation and significant upgraded landscaping. A variance for minimal reduced percentages shall be obtained in writing from the Architectural Control Committee prior to the start of construction. It is encouraged that at least one of the following be included on the front elevation: decorative wood applications such as columns, corbels, crown and dentil molding and porches, boxed or returned soffits. Other features might include windows with rounded tops, bay windows, or pop-out box windows if they are incorporated into the roofline. The plans for each home will be reviewed individually for overall appearance of the elevation when the plans are submitted to the Architectural Control Committee. **Brick, if desired, may be allowed on a case-by-case basis. Brick homes may require additional upgrades. Written approval from the Architectural Control Committee is required prior to installation. No vinyl or metal siding will be allowed.** Use of different sidings is highly recommended. Thumb latch and brass kick plate, or upgraded front door required. (See ACC Guidelines for definition of upgraded front door).

Section 7. "Roofs" - Broken rooflines, gables, hip roofs, etc., are strongly encouraged. Roofs must be of at least 6/12 pitch. Shingles must be a 25-year Pabco or comparable architectural relief shingle in Charcoal Black, weathered wood or driftwood gray. (Charcoal Black strongly encouraged). No gravel roofs will

be allowed. Roofs must be approved by the Architectural Control Committee along with the colors of the exterior of the house.

Section 8. "Colors" - Exterior colors of earth tones, warm tones or grays shall be required for the body of the house. Bright, bold or very dark body colors (*i.e., blue, red, yellow*) shall not be allowed as the main body color. Approval of exterior colors must be obtained from the Architectural Control Committee prior to application.

Section 9. "Exterior Lighting" - All homes are required to have front yard lighting on a photocell. Garage column lights and at least one of the following are required to be on a photocell (no switch): entry lighting (preferred), upgraded landscape lighting (preferred with prior approval) or pole light w/custom base matching stone or stucco of home. **Completion is the specific responsibility of the builder.**

Section 10. "Lot Drainage" - Initial drainage of water on a Lot shall be the builder's responsibility.

The Following are possible drainage solutions to help prevent pooling of water on the side and rear Lot lines:

- Lots may provide a 2 percent grade from the rear of the Lot to the front
- Lots may slope back into a common area pathway
- Drains may be installed to take care of nuisance water
- Shrub beds around perimeter of home are strongly encouraged to reduce the potential of water entering a home's crawl space.

(SEE ARTICLE IX LOT DRAINAGE)

Section 11. "Landscaping" - Landscaping of front yard and side Lots adjacent to the street must be completed within **thirty (30) days** of occupancy of home and is to include **sod in the front yard and both sides of the driveway**. The front yard is to include a berm or sculptured planting area and at least 50 percent of the front yard landscaping to be sodded. **Concrete slab, rock or gravel may not be used as landscaping to provide parking adjacent to driveways. If access to the back yard for vehicle storage is desired, requests shall be made to the Architectural Control Committee. Plants and materials used for such access shall be approved prior to installation. A concrete slab next to the driveway will not be approved.**

(a) The landscaping of each Lot shall include two (2) large trees (a combination of **deciduous**, at least 2.5" caliper, or evergreen trees of at least eight (8) feet in height) and ten (10) five-gallon plants/shrubs in the front yard. Grass or hydro seed shall be planted in the back yard within 60 days of occupancy. 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 Control Committee. Each Lot shall also be required to install one street tree. See the Architectural Control Guidelines for details on the location and type of street tree to be installed. **Initial installation of the street tree is the specific responsibility of the builder. For landscape requirements for Patio Homes or Townhomes see Article III.**

(b) Each Lot Owner shall be responsible for keeping his or her yard and landscaping in good condition. Owner shall provide adequate irrigation (See Article IX Lot Drainage) and maintenance of trees and landscaping, shall control weeds, and maintain the Owner's Lot in a clean and safe condition free of debris or any hazardous condition. Weeds shall be cut to less than four (4) inches. The Association shall have the right to maintain the yard and landscaping if it is not maintained. Costs incurred by the Association in connection with such maintenance shall become a Limited Assessment. (See Article 1, Section 12).

Section 12. "Mailboxes" - The first (original) mailbox and post will be supplied by Declarant. The Owners on whose Lot line the mailbox and post is installed must assume responsibility to maintain such. Multiple boxes on a single post will be maintained by those Owners on whose common Lot line the mailbox and post is installed. The cost of maintenance and/or replacement of post will be shared equally by Owners. If post replacement should become necessary the replacement post shall be of a like material, color and design as the original post.

Section 13. "Fences" - Fences are not required. **If a fence is desired, the Architectural Control Committee shall approve the plans prior to construction.** Fences shall be of good quality and workmanship and properly maintained. Fences may not exceed six (6) feet and may be vinyl (color to match subdivision

fence) or wrought iron (see below). All fence setbacks must meet Meridian City Code and ACHD vision triangle.

(a) Fences shall not be built closer to the front of the Lot than five (5) feet behind the front corner of the house 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 express approval of the Architectural Control Committee. No fences shall be higher than six (6) feet. Six (6) foot privacy fences are allowed on Lots and Lot lines not adjacent to Common Areas.

(b) **On Lots, which are adjacent to a park or a pathway**, if a fence is desired along the park or the borders of the pathway, (excluding fencing installed by Declarant), the fence must be five (5) foot wrought iron only, unless approved by the Architectural Control Committee. Six (6) foot solid fences shall taper down to meet the height of the five (5) foot wrought iron fence and the tapered section shall be a minimum of one section of fence.

(c) If Declarant should provide any fencing, as may be done along some Common Areas, where required for safety, or for whatever reason, the Owner on whose Lot line the fence is built must assume responsibility to maintain said fencing.

(d) 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 properties and streets and shall not be allowed to constitute an undesirable, nuisance, or noxious use. The determination of the Architectural Control Committee shall be binding on all parties as to whether an undesirable, nuisance, or noxious use exists.

See **"Vehicle Storage"** (Section 14) as it pertains to fencing and the amount of setback required if the vehicle height extends above the fence.

See **"Dog Runs"** (Section 16) as they pertain to fencing requirements.

Section 14. "Vehicle Storage" - Parking of boats, trailers, motorcycles, trucks, truck-campers, and like equipment, or junk cars or other unsightly vehicles, and like items, shall not be allowed on any part of said properties 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. Parking of automobiles or other vehicles on any part of the properties or on public ways adjacent thereto shall be prohibited except within garages, carports, or other approved areas. Garage driveways shall not be extended on either side for additional parking. For the purpose of this Section, an approved area may be beside the house, but not on a street side, and screened with a six (6) foot solid vinyl or landscaping enclosure, which screening is approved by the Architectural Control Committee. 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 ten (10') feet or length greater than thirty (30) feet. Any variance to allow a deviation to these vehicle storage requirements must be approved in writing by the ACC and all surrounding neighbors. The Architectural Control Committee shall be the sole and exclusive judge of approved parking areas.

Section 15. "Animals" - Keeping or raising of farm animals or poultry is prohibited. No more than two (2) domestic pet animals may be kept at one time, except that a litter of young may be kept until eight (8) weeks old. All dogs and cats or household pets kept on these premises shall be fed and cared for and shall be adequately fenced and controlled so as not to annoy or trespass upon the use of the Property of others. **Dogs and cats shall not be allowed to run at large.**

Section 16. "Dog Runs" - Dog runs may be permitted along a side fence, but must be no closer than ten (10) feet away from the back Lot line if that Lot line is the boundary of a Common Area. Dog runs are only permitted outside of the Building/home set back area (Article II, Section 18). Dog runs must not be more than six (6) feet high and they must be screened from neighbors' view. Dog runs must be approved by the Architectural Control Committee in writing prior to construction.

Section 17. "Antennae and Satellite Dishes" - Regular local antennae must be in the garage attic. A satellite dish is allowed on the back of the home or on the side of a home under the eaves. If it is absolutely necessary to mount a satellite dish on the side of the home under the eaves for quality of reception it shall be

setback from the front corner of the home a minimum of five (5) feet. "Back of the home" is defined as the back of the house behind the peak of the home. Garages with alternate rooflines closer to the front of the home will not be considered "Back of the home". A satellite dish mounted in an area of the home not approved by the Architectural Control Committee shall be relocated at the Owner's expense. The Architectural Control Committee may approve a satellite dish to be installed at other locations if additional screening from street view is provided.

Section 18. "Setbacks" - Residence setbacks will generally meet Meridian City Code for zoning codes and ordinances for an R-8 zone. Reduced setbacks have been granted by Meridian City for the Patio Homes and Townhomes.

Section 19. "Additional Easements" - There is a five (5) foot easement shown on the recorded Plat on each side of the interior side Lot lines for a permanent public utility, irrigation, and drainage easement. Within these easements 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 easement area of each Lot 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.

Section 20. "Construction Time" - Construction of any residences in the Subdivision shall be diligently pursued after commencement thereof, to be completed within twelve (12) months. *The Owner of a Lot will begin construction within twelve months of the closing date or the Lot will be sold back to the developer at 50 percent of the original purchased price.*

Section 21. "Outbuildings" - Only one outbuilding per Lot will be allowed. All outbuildings shall be constructed of quality building material, completely finished with the same shingles, including color, that were applied to the house and painted on the outside to match the body color of the house, and shall be of quality and character that will be in harmony with the house on said Lot. Outbuildings must be screened with a six (6) foot solid vinyl fence or landscaping enclosure, which screening is approved by the Architectural Control Committee. The outbuilding shall be placed a minimum of two (2) feet away from any front, side or rear yard fence or landscape enclosure for every one (1) foot it extends above said fence or landscape enclosure. The Architectural Control Committee shall be the sole and exclusive judge of outbuildings including but not limited to placement on the Lot. All outbuildings will comply with Meridian City codes and ordinances and are subject to Architectural Control Committee approval prior to construction.

Section 22. "Nuisances" - No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property including Lots, Common Area or vacant Lots, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the Property or to its occupants, or to any other Property in the vicinity thereof or to its occupants. No noise or other nuisance, as described by city or county ordinances, as amended from time to time, shall be permitted to exist or operate upon any portion of the Property. No party or other activity in a Common Area or Lot which makes or causes to make noises which might tend to unreasonably interfere with the peace and quiet of Owners or occupants of Settlement Bridge (also known as Settlers Bridge) shall be allowed. No Owner shall permit any party or other activity in the Common Area or such Owner's dwelling unit which makes or causes to make noises which might tend to unreasonably interfere with the peace and quiet of the other Owners or occupants. No radio or other sound system shall be operated on the Property except at a low sound level. No offensive noise, language or behavior is allowed. The use of any type of firearms on the Property is strictly prohibited and is subject to formal complaint to the Police Department.

Section 23. "Conducting Business on Properties" - No business shall be conducted on the above properties that cannot be conducted within the residence of the Owner as permitted by law. No signs shall be installed to advertise said 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.

Section 24. "Water for Lawn and Yard Sprinkling" - The water source for sprinkling of lawns and other outside areas will be pressurized irrigation water, which will be provided to each Lot. This pressurized water will not be potable, drinkable, and will not meet safe drinking water standards established,

from time to time, by the federal, state, and/or local governments. The Subdivision is in the Settlers Irrigation District. Assessment from the Settlers Irrigation District will be made in total to the Association and paid by Association dues. See Article IX, "Lot Drainage", for suggested guidelines to avoid over watering of Lot.

Section 25. "Sewer Locations" - All bathroom, sink, and toilet facilities shall be located inside the dwelling house or other suitable appurtenant Building and shall be connected by underground pipe to wet line sewer connection lines which have been provided to each Lot.

Section 26. "Signs" - No sign of any kind, including but not limited to FOR RENT/LEASE signs, shall be displayed to public view, from any window, on any Building or building site on said properties except a professional sign of not more than five (5) square feet advertising the Property for sale by an Owner to advertise the Property. If a Property is sold, any sign relating thereto shall be removed immediately, except that a "Sold" sign may be posted for a reasonable period following the sale. Notwithstanding any provision to the contrary, signs of any and all sizes and dimensions may be displayed by the Declarant, without limitation thereto, on Lots owned by said Declarant. The Declarant, the Declarant's designated marketing agent if there is one or the Association, may display a sign of any size and dimension, without limitation thereto, for Subdivision identification and/or marketing to include marketing of new homes for sale.

No real estate signs, or signs of any kind, except for Subdivision identification and/or marketing may be displayed on any Common Area unless approved by the Architectural Control Committee.

Section 27. "Waste Disposal" - No Lot or building site included 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.

Section 28. "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 Property line of such building site upon which the structure is to be erected.

Section 29. "Damage to Improvements" - It shall be the responsibility of the builder of any residence 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 Control Committee.

Section 30. "No Hazardous Activities" - No activities shall be conducted on the Property and no Improvements constructed on any Property, which is or might be unsafe or hazardous to any Person or Property.

Section 31. "Unightly Articles" - No unsightly articles shall be permitted to remain on any Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such containers and in areas approved by the Board of Directors. Trash/Recycle containers may be placed curbside for pick up but may not remain curbside for more than forty-eight (48) hours. No clothing or fabrics shall be hung, dried or aired in such a way as to be visible to other Property, and no equipment, compressors, containers, lumber, firewood, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Lot except within an enclosed structure or as appropriately screened from view. Holiday/decorative lights shall be removed no later than January 31st. Decorative lights if desired for a specific event will be removed within fourteen (14) days of event. No vacant residential structures shall be used for storage of Building materials.

Section 32. "Exemption of Declarant" - Nothing contained herein shall limit the right of Declarant to subdivide or resubdivide any portion of the Property to grant licenses to reserve rights-of-way and easements with respect to Common Area to utility companies, public agencies or others, or to complete excavation, grading and construction of Improvements to and on any portion of the Property owned by Declarant, or to alter the foregoing and its construction plans and designs, or to construct such additional Improvements as Declarant deems advisable in the course of development of the Property so long as any Lot in the Property remains unsold. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of Declarant's business of completing the work and disposing of the same by sales, lease or otherwise. Declarant shall have the right at any time prior

to acquisition of title to a Lot by a purchaser from Declarant to grant, establish and/or reserve on that Lot additional licenses, reservations and rights-of-way to Declarant, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. Declarant may use any structures owned by Declarant on the Property as model home complexes or real estate sales or leasing offices. The rights of Declarant hereunder may be assigned by Declarant to any successor in interest in connection with Declarant's interest in any portion of the Property, by an express written assignment recorded in the Office of the Ada County Recorder.

Section 33. "The 'Architectural Control Committee's' decision is final and binding on all issues."

Section 34. "Common Area" - The Common Area to be owned and maintained by the Settlers Bridge Neighborhood Association at the time of the conveyance of the first Lot is described as follows: Lot 1 Blocks 1 through 8, Lots 2 & 5, Block 9, Lots 2 & 8 Block 10, Lots 17, 35, & 40, Block 11, Lot 8 Block 12, Lots 1, 7 & 8 Block 13, Lots 1 through 3, Block 14, Lots 1 & 2, Block 15, of Settlement Bridge Subdivision No. 1 (also known as Settlers Bridge Subdivision No. 1), and Lot 41 Block 11, Lot 5 Block 16, and Lot 1 Block 18 of Settlement Bridge Subdivision No.2 (also known as Settlers Bridge Subdivision No. 2), and Lot 29 Block 9, and Lots 46 through 48 Block 9 inclusive, of Settlement Bridge Subdivision No. 3 (also known as Settlers Bridge Subdivision No. 3), and Lots 13 & 30 Block 16, of Settlement Bridge Subdivision No. 4 (also known as Settlers Bridge Subdivision No. 4), and Lots 13, 14, 39, 42 & 48, Block 15, of Settlement Bridge Subdivision No. 5 (also known as Settlers Bridge Subdivision No. 5), Meridian, Ada County, Idaho.

Section 35. "Annexation" - It is intended that additional Phases of Settlement Bridge Subdivision (also known as Settlers Bridge Subdivision) may be annexed or included within the jurisdiction of this Declaration by Declarant without approval of the Lot Owners. Common Areas included in annexed Phases are for common use of Lot Owners in all Phases of the Subdivision and will be maintained by the Association.

ARTICLE III

PATIO HOMES OR TOWNHOMES

In addition to the Covenants, Conditions and Restrictions in Article II, the following special Covenants, Conditions and Restrictions apply only to the Patio Homes or Townhomes. All other covenants, conditions, restrictions, responsibilities and privileges referred to in these Covenants apply to Attached Lots as well as Detached Lots.

Section 1. "Lots" The following Lots are designated as Patio Home or Townhome Lots in the Subdivision: Lots 2 through 5, Block 8, Lots 3 & 4, Lots 6 through 28, and Lots 30 through 45 Block 9, Lots 9 through 20 Block 12, Lots 18 through 27 Block 11, and Lots 15 through 38, Lots 40 & 41, and Lots 43 through 47, Block 15. These Patio Home or Townhome Lots may be sold in pairs to accommodate a Townhome common wall.

Section 2. "Floor Area" Each home, as with all other homes, shall not have less than 1301 total square foot minimum exclusive of covered porches, entrances, or patios. The Architectural Control Committee may approve reduced square footages. (See Article II Section 2).

Section 3. "Value" Patio Home and Townhome Lots in Settlement Bridge Subdivision No. 5 (also know as Settlers Bridge Subdivision No. 5) shall exceed a minimum value of \$225,000.00 based on September 2006 values.

Section 4. "Landscape" Patio Home or Townhome Lots must be professionally landscaped according to the specifications set forth in Article II, Section 11. "Landscaping". The Architectural Control Committee may impose additional landscape requirements on smaller homes. Landscape plans shall be submitted for approval on ALL Patio Homes or Townhomes prior to installation as upgrades may be required and will be decided on a case-by-case basis.

ARTICLE IV

ARCHITECTURAL CONTROL

Section 1. "Architectural Control Committee" - A committee of three Persons shall act as an Architectural Control Committee and shall, prior to any new construction, be furnished with one set of detailed plans and specifications of any proposed Improvement and shall be allowed fifteen (15) days to review said plans, drawings, and specifications. If said Committee shall approve the proposed Improvement, or any modification or alteration thereof, they shall so indicate by the dating and signing of the set of plans by a Member of the Committee, and their approval shall be construed as full compliance with the provisions of these Covenants. Said Committee shall have sole discretion to determine what shall be substantial compliance with these Covenants. No Building shall occupy any portion of said Subdivision without prior consent of said Committee.

Section 2. "Discretion of Committee" - The decision to approve or disapprove proposed plans rests entirely with the Architectural Control Committee, which shall be authorized to issue rules relating to the implementation of this Declaration, including rules governing the design, construction, location, and appearance of all Improvements and landscaping on the Property.

Section 3. "Committee Membership" - The initial Committee shall be appointed by Declarant and shall consist of the following:

Ramon Yorgason	6200 N. Meeker Place, Boise, ID 83713	377-3939
David R. Yorgason	6200 N. Meeker Place, Boise, ID 83713	377-3939
Christopher E. Yorgason	6200 N. Meeker Place, Boise, ID 83713	377-3939

(a) A majority of said Committee is empowered to act for the Committee. In the event any Member of the Committee is unable to act or fails or desires not to act, the remaining Committee Members shall appoint an Owner of a Lot in said Subdivision to serve on said Committee, all of whom serve without compensation.

(b) Upon the sale of the last Lot of the last Phase in said Subdivision, the work of the initial Committee shall be deemed completed, and said Committee Members shall then be automatically released from all responsibilities thereto. There is a Neighborhood Association, notwithstanding any other provision to the contrary in the Covenants, Conditions and Restrictions for this Subdivision. After the Declarant has sold all the Lots in the properties, and not before, the then seated Directors of the Neighborhood Association may automatically become the Architectural Control Committee. Amending this instrument shall not affect this provision.

(c) In the event there is not a Neighborhood Association for the Subdivision, it is the responsibility of the Owners to select among themselves an Architectural Control Committee.

ARTICLE V

GENERAL PROVISIONS

Section 1. "Enforcement" - Any Owner, the Association or Declarant 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. Enforcement against any Person or Persons violating or attempting to violate any covenant herein may be commenced after ten (10) days notice thereof in writing served on the offending party. In the event of judgment against any Person for such, the Court may award injunction against any Person for such violation, require such compliance as the Court deems necessary, award such damages, reasonable attorney's fees, and Court costs as may be suffered or incurred, and

such other or further relief as may be deemed just and equitable. Failure by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Each Owner agrees to pay a reasonable fee for the enforcement of the Declaration including but not limited to the collection of Assessments. This enforcement fee may be in the form of a per violation per day fee, of a reasonable amount to be agreed upon by the Board of Directors. In the event that an attorney is employed for the collection of Assessment or enforcement of the Declaration, each Owner agrees to also pay all reasonable attorney fees, and any other remedy obtained against any such Owner.

Section 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.

Section 3. **"Amendment"** - This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than sixty-seven percent (67%) of the Lot Owners. Any amendment must be recorded.

Section 4. **"Time Extension for Covenants"** - The Covenants set forth in this instrument 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 the recording thereof, after which time such Covenants 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 sixty-seven percent (67%) of the Lot Owners of this Subdivision has been recorded agreeing to terminate said Covenants, in whole or in part.

Section 5. **"Annexation of Additional Phases"** - It is intended that additional Phases of Settlement Bridge (also known as Settlers Bridge Subdivision) may be annexed or included within the jurisdiction of this Declaration by Declarant without approval of the Lot Owners. Common Areas included in annexed Phases, as well as the Common Areas included in this Declaration, are for common use of Lot Owners in all Phases of the Subdivision and will be maintained by the Settlers Bridge Neighborhood Association, Inc. Owners of all future Phases will pay dues and Assessments to the Association, which will be used for maintenance of all Common Areas and other Association expenses.

ARTICLE VI

COMMON AREA PROPERTY RIGHTS

Section 1. **"Owner's Easement of Enjoyment"** - Every Owner shall have the right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to charge Assessments as provided herein.
- (b) The right of the Association to charge a setup fee and/or a transfer fee to an Owner when titles to a Lot pass from the Grantor to an Owner other than the Grantor.
- (c) 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 such Owner's Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its public rules and regulations.
- (d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Members 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.
- (e) The right of the Association to prohibit the construction of structures or Improvements on the Common Area.

Section 2. **"Delegation of Use"** - Any Owner may delegate, in accordance with the 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 properties.

Section 3. **"Damages"** - Each Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, such Owner's resident tenant or contract purchaser, or such Owner's family and guests, both minor and adult. In the case of joint Ownership of a Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against the Lot and may be collected as provided herein for the collection of other Assessments. No Owner shall be liable for any amounts greater than is legally allowable under Idaho law.

ARTICLE VII

SETTLERS BRIDGE NEIGHBORHOOD ASSOCIATION

Section 1. **"Organization of Settlers Bridge Neighborhood Association, Inc."** - Settlers Bridge Neighborhood Association, Inc. (the Association) shall be initially organized by Declarant as an Idaho non-profit corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Section 2. **"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 located within said Property shall, by virtue of such Ownership, be a Member of the Association. When more than one Person holds such interest in any occupied Lot, all such Persons shall be 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. The financial reports, books, and records of the Association may be examined, at a reasonable time, by any Member of record.

Section 3. **"Voting Rights"** - The Association will have two classes of voting Memberships.

(a) Class A Membership: Class A Members shall be the Owners of Lots, with the exception of the Declarants. 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 shall be permitted.

(b) Class B Membership: Class B Members shall be the Declarants. The Declarants shall be entitled to six (6) votes for each Lot of which Declarants are the record Owners.

Section 4. **"Officers and Directors"** - At an annual meeting called pursuant to notice as herein provided for the establishment of annual Assessments, a Board of Directors of the Association shall be elected by ballot of those attending said meeting or voting by proxy in accordance with the Association Bylaws. There shall be three Directors elected to serve for a period of one year. Officers shall be elected in accordance with the Association Bylaws.

Section 5. **"Suspension of Voting Rights"** - The Association shall have the right to suspend any voting rights for any period during which any assessment against said Member's Property remains unpaid; and for a period not exceeding sixty (60) days for each infraction of its published rules and regulations.

Section 6. **"Association Powers"** - The Association shall have the powers of a corporation organized under the general corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. The

Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Idaho law and under this Declaration, and the Articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Association's other assets, including water rights when and if received from Declarant, and affairs and the performance of the other responsibilities herein assigned, including without limitation.

(a) Assessments. The power to levy Assessments on any Owner or any portion of the Property and to enforce payment of such Assessments, all in accordance with the provisions of the Declaration,

(b) Right of Enforcement. The power and authority from time to time in its own name, on its behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach of this Declaration or the Articles or the Bylaws.

Section 7. "Association Duties" - In addition to duties necessary and proper to carry out the power delegated to the Association by this Declaration, and the Articles and Bylaws without limiting the generality thereof, the Association or its Agent, if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the following duties:

(a) Operation and maintenance of Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance of the Common Area, including without limitation the pool, landscaping, parks, private roads and shared driveways that are identified as Common Area within this Declaration.

(b) Maintenance of berms, retaining walls and fences. The Association shall maintain or provide for the maintenance of any and all berms, retaining walls, and the exterior of fences, if any, within and abutting the Common Area.

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

(d) Water and other utilities. Acquire, provide and/or pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Common Area.

(e) Insurance. If desired, obtain insurance from reputable insurance companies authorized to do business in the State of Idaho, and maintain in effect any insurance policy the Board deems necessary or advisable, including, without limitation, all risk insurance and comprehensive public liability insurance, the extent of which coverage shall be determined by the Board.

(f) Enforcement of Restrictions and Rules. Perform such other acts whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of the Declaration, or of the Articles or Bylaws, including without limitations, the recordation of any claim of lien with the Ada County Recorder, as more fully provided herein.

Section 8. "Personal Liability" - No Member of the Board, or Member of any committee of the Association, or any officer of the Association, or the Declarant, or the Manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Association, the Board, the Manager, if any, or other representative or employee of the Association, the Declarant, or any committee, or any officer of the Association or the Declarant, provided that such Person, upon the basis of such information as may be possessed by such Person, has acted in good faith without willful or intentional misconduct.

Section 9. "Meetings of Association" - Each year the Association shall hold at least one meeting of the Members, according to the schedule for such meetings established by the Bylaws; provided, that such meeting shall occur in the fall approximately in the month of November once a year. Members shall be entitled to attend Association meetings, and all other persons may be excluded.

Section 10. "Notice and Quorum to Conduct Business of the Neighborhood Association" - Written notice of any meeting of the Neighborhood Association called for the purpose of taking any action as specified in this Declaration shall be sent to all Members not less than 10 days nor more than 50 days in advance of the meeting, setting forth the place, date and hour of the meeting and nature of the business to be conducted. The presence of Members, of proxies, or written or absentee ballots from Members entitled to cast sixty percent (60%) of the total votes of the Membership shall constitute a quorum to transact routine business and set annual Assessments. If the required quorum is not present, the meeting may be rescheduled, and at the rescheduled meeting, the presence of Owners or of proxies entitled to cast ten percent (10%) of the total votes shall constitute a quorum. No written notice of the rescheduled meeting shall be required and official business of the Association shall then be conducted.

Section 11. "The Association shall not be dissolved or relieved of its responsibility" to maintain the defined Common Area and facilities contained therein without the prior written approval from City of Meridian. The Association and all Lot Owners by accepting title to a Lot agree that all Lot Owners within this Subdivision are benefited Property Owners of such maintenance.

ARTICLE VIII

ASSESSMENT

Section 1. "Creation of the Lien and Personal Obligation of Assessments" - The Declarant, for each Lot owned within the Properties, 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: (a) an initial assessment of two-hundred fifty dollars (\$250.00) for each Lot payable at closing, and (b) a transfer fee, which is an assessment of one-hundred dollars (\$100.00) on the closings of a Lot that follow the initial closing, and (c) annual Assessments or charges, and (d) special Assessments and such Assessments to be established and collected as hereinafter provided. The 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 such assessment, 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. The Board or its authorized representative may enforce the obligations of the Owners to pay such Assessments by commencement and maintenance of a suit at law or in equity, or the Board may exercise the power of foreclosure and sale pursuant to this Declaration to enforce the liens created hereby. A suit to recover a money judgment for an unpaid assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.

Section 2. "Regular Assessments" - All Owners are obligated to pay regular Assessments to the Treasurer of the Association on a schedule of payments established by the Board. See Section below "Maximum Annual Assessments" for the amount of the assessment.

(a) **"Purpose of Regular Assessments"** - The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by the Association including legal and attorneys fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, Improvement, utilities, protection, maintenance, repair, management and operation of the Common Area, including all Improvements located on such areas owned and/or managed and maintained by the Association, and an amount allocated to an adequate reserve fund to be used for repairs, replacement maintenance and Improvement of those elements of the Common Area, or other Property of the Association that must be replaced and maintained on a regular basis (collectively "Expenses").

(b) **"Maximum Annual Assessment"** - For the year 2006, the maximum assessment shall be four hundred and sixty dollars (\$460.00 per year) per Lot prorated to the end of the calendar year and billed annually, quarterly, or as otherwise decided by the Association.

(1) From 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 15 percent above the maximum assessment for the previous year without a vote of the Membership.

(2) 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 15 percent by a majority vote of a quorum of Members who are voting in Person, by proxy, or by written or absentee ballot at a meeting of the Owners.

(3) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 3. "Limited Assessments" - Notwithstanding the above provisions with respect to Regular and Special Assessments, a Board may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Member's Lot into compliance with the provisions of the governing instruments for Settlement Bridge (also known as Settlers Bridge Subdivision).

Section 4. "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, including fixtures and personal property related thereto, provided that any such Assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in Person or by proxy at a meeting duly called for this purpose.

Section 5. "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.

Section 6. "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 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.

Section 7. "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.

Section 8. "Right to Enforce" - The Association has the right to collect and enforce its Assessments pursuant to the provisions of this Declaration.

Section 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.

Section 10. "Property Exempt from Assessments" - The following Property subject to this Declaration shall be exempt from the Assessments created herein:

(a) All properties expressly dedicated to and accepted by a local public authority.

- (b) Any local properties owned by the Association.
- (c) Any properties owned by the Declarant.

ARTICLE IX

LOT DRAINAGE

This section identifies a recent problem in the valley for many subdivisions – **Lot drainage**. Some Owners over water their yard; which can cause damage not only to the individual yard but to neighboring yards as well. The following is a synopsis of how one local subdivision addressed this problem and these concepts shall also apply to Settlement Bridge (also known as Settlers Bridge Subdivision).

Section 1. Many water problems originate with over watering of individual Owner lawns and/or common areas. Individual property Owners, including the Association, are obligated to capture drainage on their own properties. While there are many techniques available for capturing water on any given Lot, those techniques vary widely with the nature and slope of the Lot, the amount of watering and the climate conditions. (See Article II, Section 10.) Individual Lot Owners have a responsibility for ensuring that water does not exit their property and cause damage to neighboring land Owners.

When pressurized irrigation was first introduced, water for lawn irrigation in most areas became non-metered. Owners were no longer charged based on usage resulting in increased water usage and over watered yards. Some local hydrologists and soils engineers have stated that the availability of this non-metered water has largely contributed to the over watered areas seen today.

Section 2. Consider the slope of your yard when you are watering. Depending on the slope of your yard you may be watering your neighbors lawn or your lawn may be catching water from your neighbor. To have a healthy lawn it is very important not to over water.

Section 3. Over watering on a regular basis will cause a lawn to have shallow roots. Roots will not grow deep because the water and everything it needs is right on the surface. When plant roots do not grow to the proper depth, the circulation system the plant uses to keep an even temperature will not work and your plants will go into stress. Everyone wants healthy lawn, trees and shrubs. If we all cut back on the water and work together we will accomplish green healthy grass without excess water. Over watering can encourage fungus, brown patches and mushrooms.

Section 4. Each Owner is responsible for containing their own water on their own Lot.

Section 5. According to landscape experts, watering prior to the hottest part of the day is recommended. On a hot afternoon (100 degree day) almost 30 percent of the water from a sprinkler can evaporate before it hits the ground.

Section 6. Brown spots are not always caused by lack of water. Poor soil, billbugs, night watering, fungus and certain chemicals are some of the more common causes of brown spots. Before adding more water to these problem areas take a sample of the area to a local turf expert. They will test your sample and help diagnose the problem.

Section 7. How much water are you putting on your lawn? (The example shown below is one way to calculate the amount of water disbursed on a typical lawn)

- Determine the total gallons per minute of each sprinkler head
(example: 10 heads per station at 1.5 gallons per minute = 15 gallons per minute per station)
- 15 gallons per minute per station x 8 stations x 30 minutes per day = 3,600 gallons per day
(15 minutes in the morning and 15 minutes in the afternoon/evening = 30 minutes per day)
- 3,600 gallons per day x 6 days per week = 21,600 gallons per week
- 21,600 gallons per week x 4 weeks = 86,400 gallons per month
- 86,400 gallons of water = approximately 2.7 swimming pools each month**
(an average swimming pool holds approx. 32,000 gallons of water)

ARTICLE X

STORM WATER DRAINAGE FACILITY

Storm water drainage at Settlement Bridge Subdivision (also known as Settlers Bridge) may use detention ponds or drainage basins for storm water management. If any above ground drainage ponds are to be created, the facility shall be maintained as follows:

Section 1. "Heavy" Maintenance of Drainage Facility - "Heavy" maintenance consists of periodically inspecting the drainage facility to ensure it is functioning properly; cleaning out the facility piping and mucking out the facility when the sediment level exceeds the designed storage level. All other maintenance shall be referred to herein as "light" maintenance. Ada County Highway District (ACHD) has opted to perform this "heavy" maintenance and shall be allowed by the Owners and the Association to perform this maintenance work. In the event ACHD shall decide not to do such "heavy" maintenance, then the Association shall do so.

Section 2. "Light" Maintenance of Drainage Facility - The Association shall provide all "light" maintenance of the drainage facility as specified in the MANUAL FOR LIGHT MAINTENANCE. If the Association does not do the required "light" maintenance, ACHD shall have the right to do such maintenance and assess the costs back to the Association. This light maintenance shall include the following items:

(a) General Maintenance. The maintenance area shall include the entire Lot in which the drainage facility is located. For the various "light" maintenance items involved, periodic inspections are to be made of the drainage facility in addition to any work required in each of the categories below. These inspections shall be done a minimum of once every month.

(b) Weed Control. In the spring of each year, a herbicide shall be applied to the entire area of the infiltration pit Lot. The application shall be in accordance with the manufacturer's requirements. During the periodic inspections, any weeds found shall be removed at the root and disposed of offsite.

(c) Lawn Care. Since the drainage facility is grassed, fertilizer shall be applied at a rate and interval to keep the grass healthy. Also weekly mowing and grass clipping removal shall be performed to maintain a healthy appearance and working drainage facility.

(d) Irrigation. Water shall be applied to the grass at a rate that will keep the grass healthy and not interfere with the proper operation of the storm water drainage facility. Over irrigating must be avoided, as this will cause ponding and deterioration of the drainage facility performance.

(e) Storm Drain Manholes. During the periodic inspections, the inside of the storm drain manholes shall be checked for any accumulated debris or trash. Any debris or trash shall be removed and disposed offsite.

(f) Trash Cleanup. During the periodic inspections, any trash found within the boundary of the drainage facility Lot shall be collected and disposed of offsite.

(g) Bank Stability. During the periodic inspections, the banks of the drainage facility shall be checked for any water spots, water entering the drainage facility from adjacent Lots, rodent holes, and bank erosion. If any serious problems are found, the Association shall contact a licensed earthwork contractor to make the necessary repairs to the drainage facility.

(h) Inspection and cleaning of pipes. After a rainstorm, the storm water pipes shall be inspected to ensure they drain the sediment traps. In the event that a pipe does not drain or flooding occurs in the street at the sediment trap locations, the Association shall have the pipes cleaned by a certified pipe inspection and plumbing service. In the event that a drainage pipe is broken or needs to be replaced, the Association shall contact a licensed underground pipe contractor to do the necessary construction.

Section 3. "Operation and Maintenance Manual for Storm Drainage for Settlement Bridge Subdivision" (also known as Settlers Bridge) The Association must follow the practices and procedures as

outlined in the Operation and Maintenance Manual for Storm Drainage for the Settlement Bridge Subdivision (also known as Settlers Bridge Subdivision).

Section 4. "Proposed Changes" – Any proposed changes to the drainage facility, or any other documents related to the storm water drainage system previously approved by the ACHD, requires concurrence by the ACHD prior to making such changes

Section 5. "Association Failure to Maintain: ACHD Remedies" - In the event that ACHD determines, in its sole discretion, that the Association is not adequately maintaining the infiltration pits, then ACHD shall, before undertaking maintenance of said Common Area, provide written notice of its intention to begin maintenance within a thirty (30) day period, within which time frame the Association may undertake to initiate and conclude all maintenance defects as identified by ACHD. In the event that the Association shall fail to commence and conclude maintenance of the infiltration pits to the extent said items of specific maintenance are identified by ACHD within the prescribed thirty (30) days, then in that event, ACHD may begin to undertake such maintenance. ACHD is hereby granted an irrevocable license and easement to enter upon any portion of the Common Area to perform such inspection and maintenance of the infiltration pits.

Should ACHD engage in maintenance of the defined Common Area or facility after having provided notice to the Association and having provided the Association an opportunity to undertake said maintenance, ACHD shall first bill the Association and if such bill shall not be paid within sixty (60) days, then ACHD shall be entitled to and empowered to file a taxable lien against all Lots within the Subdivision with power of sale as to each and every Lot in order to secure payment of any and all Assessments levied against all Lots in this Subdivision pursuant to the Declaration as if said had been performed by the Association, together with interest at the rate which accrues on judgments thereon and all costs of collection which may be paid or incurred by ACHD.

The Association shall not be dissolved or relieved of its responsibility to maintain the defined Common Area and facilities contained therein without the prior written approval from ACHD.


The Association and all Lot Owners, by accepting title to a Lot, agree that all Lot Owners within this Subdivision are benefited Property Owners of such maintenance.

ARTICLE X

SETTLERS CANAL

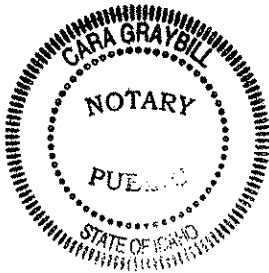
Located within Settlement Bridge Subdivision (also known as Settlers Bridge) is the Settlers Canal. The Settlers Canal is maintained by the Settlers Irrigation District. This irrigation district has the right to access the canal from both sides up to fifteen (15) feet from the top of the canal bank to conduct said maintenance. The irrigation district will not be responsible for any routine maintenance of this fifteen (15) foot area, nor shall they be responsible for any damage they may cause to this area. The Association shall be responsible for all routine maintenance of the fifteen (15) foot area, including but not limited to the mowing of the grass and repairing damage caused by the irrigation district, if any.


IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have executed this instrument on this 21st day of November, 2006.


J. RAMON YORGASON, President
Capital Development, Inc.

STATE OF IDAHO }
 } : ss.
County of Ada }

On this 21st day of November, 2006, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared J. RAMON YORGASON, President, Capital Development, Inc. known to me to be the persons whose name are subscribed to the within instrument and acknowledged to me that they executed the same.




Notary Public for the State of Idaho
Residing at Boise, Idaho
My Commission Expires
MY COMMISSION EXPIRES
June 8, 2012
BONDED THRU NOTARY PUBLIC UNDERWRITERS