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DECLARATION OF PROTECTIVE RESTRICTIONS AND COVENANTS

VINEYARD COURTS SUBDIVISION

We, the undersigned, hereinafter referred to as Grantors, being the owners of the property hereinafter described hereby adopt the following Protective Restrictions and Covenants in their entire to apply to single family residential portion of the real property to be subdivided and contained in a subdivision to be known as Vineyard Courts Subdivision located in Bannock County, Idaho being further described as follows:

Vineyard Courts Subdivision according to the plat thereof recorded in the records of Bannock County, Idaho as Instrument No. _____ Or any other phases or subdivisions that specifically adopt this Declaration or refer to the covenants that govern the "Vineyard Courts Subdivision," or which reference these recorded covenants on the subdivision plat of that phase.

This Declaration can be adopted with only the approval of Grantor. No approval from any other portion of the Vineyard Court Subdivision or the Association is required to adopt this Declaration on additional phases of the Subdivision.

ARTICLE 1. DEFINITIONS

Unless the context otherwise specifies or requires, the terms defined in this Article I shall, for all purposes of this Declaration, have the meanings herein specified.

1.1 ARTICLES. The term "Articles" shall mean the Articles of Incorporation of the Vineyard Courts Homeowners' Association, Inc. which are or shall be filed in the Office of the Secretary of State of the State of Idaho, which said Articles are incorporated herein by this reference, as said Articles may from time to time be amended.

1.2 ASSOCIATION. The term "Association" shall mean the Vineyard Court Homeowners' Association, Inc., the non-profit membership corporation, including its successors and assigns.

1.3. BOARD. The term "Board" shall mean the Board of Directors of the Association.

1.4 BY-LAWS. The term "By-Laws" shall mean the By-Laws of the Association which are or shall be adopted by the Board which are on file at the office of the Association and which are incorporated herein by this reference, as such By-Laws may from time to time be amended.

1.5 DECLARATION. The term "Declaration" shall mean the Declaration of Protective Restrictions and Covenants herein set forth in this entire document, as same may from time to time be amended.

1.6 GRANTOR. The term "Grantor" shall mean B.M.B. Development L.L.C.

1.7 GRANTEE. The term "Grantee" shall mean any present and future Owners of the Subdivision.

1.8 VINEYARD COURT SUBDIVISION. The term "Vineyard Court Subdivision" shall mean all of the real property and improvements referred to in the preamble together with such real property as may from time to time be added thereto or covered thereby. This Declaration covers only the single family residential portion of said subdivision and specifically these phases of said subdivision that adopt these covenants. A companion Declaration covers the townhouse portion of said subdivision.

1.9 IMPROVEMENTS. The term "Improvements" shall include buildings, outbuildings, roads, driveways, parking areas, fences, screening walls, stairs, decks, hedges, windbreaks, plants, planted trees and shrubs, poles, signs and all other structures or landscaping improvements of every type and kind.

1.10 LOT. The term "Lot" shall mean any parcel of real property designated for single family residential use on any subdivision map or plat pertaining to property which is subject to this Declaration.

1.11 MEMBER. The term "Member" shall mean and refer to every person or entity who holds membership in the Association.

1.12 RESIDENCE. The term "Residence" shall mean a building or buildings, including any garage, carport or similar outbuilding used for residential purposes.

ARTICLE 2. RESTRICTIONS & COVENANTS

The undersigned hereby declare that all of the real property located in the County of Bannock, State of Idaho, known as Blocks 1, 2, & 3 of VINEYARD COURT SUBDIVISION, is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to the VINEYARD COURT SUBDIVISION Covenants meaning the covenants, conditions and restrictions set forth in this DECLARATION. All of said restrictions are declared and agreed to be in furtherance of a general plan for the purpose of enhancing and perfecting the value, desirability and attractiveness of said real property and every part thereof. All of the covenants, conditions and restrictions as set forth in this DECLARATION, shall run with all of said real property for the purposes and shall be binding upon and inure to the benefit of the undersigned, all lots and all owners and their assigns, transferees and successors in interest. These protective covenants shall be subject to amendments only by the constituted municipal governing body in which this subdivision is located, together with a minimum or two-thirds (2/3) vote of legal property owners in the

subdivision. Invalidation of any one of these covenants by judgment or court order shall in no wise effect any of the other provisions which shall remain in full force and effect.

The residential area shall consist of Lots 2-7, Block 1, Lots 2-7, Block 2, and Lot 1, Block 3 VINEYARD COURT SUBDIVISION. Lots within such area shall be for the exclusive use and benefit of the Owners thereof, subject, however, to all of the following limitations and restrictions:

2.1 RESIDENTIAL USE. Each numbered lot within the residential area shall be used exclusively for single family residential purposes. No structure whatever, other than one private single family dwelling, together with a private garage, shall be erected, placed or permitted to remain on any of the lots. No gainful occupation, profession, trade, business or other non-residential use which encourages patron visits shall be conducted in, on, or from any lot or building. This provision, however, does not restrict the use of the property for a private office wherein telephone and computer based work requiring limited additional traffic, parking and visits are undertaken. No signs will be displayed for business purposes. Nothing herein shall be deemed to prevent the leasing of an entire lot and all the improvements thereon to a single family, and not otherwise, from time to time by the OWNER thereof subject to all of the provisions of the VINEYARD COURT SUBDIVISION Restrictions.

2.2 BUSINESS CONSTRUCTION. No store, office or other place of business of any kind, and no hospital, sanatorium or other place for the care or treatment of the sick or disabled, physically or mentally, nor any theater, saloon, or other place of entertainment, or any church shall ever be erected or permitted upon any of the lots or any part thereof.

2.3 MAINTENANCE AND REPAIR OF BUILDINGS. No building, residence, improvement or structure upon any lots shall be permitted to fall into disrepair, each such building and structure shall at all times be kept in good condition and adequately painted or otherwise finished. Owners shall maintain in good repair the exterior surfaces, including but not limited to: walls, roofs, porches, patios, and appurtenances. Nothing shall be done in or to any such building which will impair the structural integrity of any building. Garages must be kept in a neat and tidy manner at all times.

2.4 MAINTENANCE OF LAWNS AND PLANTINGS. Each owner shall at all times keep all shrubs, trees, grass and plantings of every kind on Owner's lot, including set back easement areas, and park strip next to the curb, neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material.

2.5 ARCHITECTURAL CONTROL. No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure with a lot drainage plan has been approved by the Architectural Control committee as to quality of material, workmanship and harmony of external design with Existing structures and as to location with respect to topography and finished grade elevation. Homes constructed in this

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subdivision will have as a minimum, some brick or drivet/stucco finishes on the front and metal siding on the remainder of the home. Roof pitches on two story homes shall be 5/12 or greater and on single level homes, 6/12 or greater. No structure shall be built on any lot unless it meets with the approval of the Committee hereinafter referred to, or if there is no committee, it shall conform to be in harmony with the existing structures in the subdivision. The committee's approval or disapproval as required in these covenants shall be in writing. In the event the committee, or designated representatives, fail to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will be deemed to have been fully complied with. The architectural committee is composed of Lynn Bridger, Shawn Bridger, and Dustin Morrison all of Pocatello, Idaho. A majority of the committee may designate a representative to act for it.

2.6 ANIMALS. No animals or fowl, poultry, or livestock, other than a reasonable number of generally domesticated household pets, shall be maintained or permitted on any lot and then only if they are kept, bred or raised thereon solely as household pets and not for commercial purposes. No such animal or fowl shall be allowed to make an unreasonable amount of noise or otherwise to become a nuisance. Any structure for the care, housing confinement of any such animal or fowl shall generally be attached to the main dwelling unit.

2.7 ANTENNAS AND SATELLITE DISHES. No antenna or satellite dish for transmission or reception of television or radio (including short-wave) signals or any other form or electromagnetic radiation shall be erected, used or maintained outdoors whether attached to a building or structure or otherwise, unless approved by the Committee. Satellite dishes made a part of the home structure and measuring 18" or less in diameter are precluded from this restriction.

2.8 UTILITY SERVICE. Lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals shall be underground. Nothing herein shall be deemed to forbid the erection and use of temporary power or telephone services incident to the construction of an approved building.

2.9 TEMPORARY OCCUPANCY. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary or incomplete building or structure shall be lived in or occupied in any manner.

2.10 TRAILERS, BOATS AND MOTOR VEHICLES. No mobile home, trailer of any kind, tent, or similar structure, and no motor vehicle, car, truck, truck camper, recreational vehicle, motorcycle, go-cart, dune buggy, boat, or boat trailer shall be kept, stored, placed, maintained, constructed, reconstructed or repaired, upon any lot or street within this subdivision unless such vehicles are kept at least 25 feet behind the front property line and screened from

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street view. Incidental use of recreational vehicles in the street for up to two days is precluded from this requirement.

2.11 STREET PARKING. There is to be no parking in the "hammerhead" ends of any future phase extensions.

2.12 NUISANCES. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any lot, and no odors shall be permitted to arise therefrom, so as to render any lot or portion thereof unsanitary, unsightly, offensive or detrimental to any of the occupants thereof. No nuisance shall be permitted to exist or operate upon any lot so as to be offensive or detrimental to any property in the vicinity thereof or to its occupants. Without limiting any of the foregoing, no exterior speakers, horns, whistles, bells, or other devices used exclusively for security purposes, shall be located, used or placed on any lot.

2.13 TRASH CONTAINERS AND COLLECTION. All garbage and trash shall be placed and kept in covered containers of a type and style as approved by the City of Pocatello. In no event shall such containers be maintained so as to be visible from neighboring property except to make the same available for collection. All rubbish, trash or garbage shall be removed from the lots and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any lot.

2.14 CLOTHES DRYING FACILITIES. Outside clotheslines or other outside clothes drying or airing facilities shall be maintained exclusively within a fenced service yard or otherwise concealed and shall not be visible from neighboring property.

2.15 ROAD ENCROACHMENTS. No tree, shrub, planting building or improvement of any kind shall be allowed to overhang or otherwise to encroach upon any road and pedestrian way from ground level to a height of eight (8) feet.

2.16 MACHINERY AND EQUIPMENT. No machinery or equipment of any kind shall be placed operated or maintained upon or adjacent to any lot within the Residential Area except such machinery or equipment as is usual and customary in construction of a private residence in VINEYARD COURT SUBDIVISION. No elevated tanks or large containers or any kind shall be erected, placed or permitted upon any lot. All such approved tanks or large containers shall be buried or kept screened by adequate planting or fence work, and shall not be visible from neighboring property.

2.17 CONSTRUCTION. Notwithstanding any provision herein contained to the contrary, it shall be expressly permissible for the builder of homes in VINEYARD COURT SUBDIVISION to maintain during the period of construction and sale of said homes, upon such portion of the premises as such builder may choose, such facilities as in the sole opinion of said builder may be reasonably required, convenient or incidental to the construction and sale of said

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homes, including but not without limitation, a business office, storage area, construction yard, signs, model units and sales office.

2.18 DISEASES AND INSECTS. No owner shall permit any thing or condition to exist upon Owner's lot which shall induce, breed, or harbor infectious plant diseases or noxious insects.

2.19 RESTRICTION ON FURTHER SUBDIVISION. No lot in the subdivision shall be further subdivided or separated into small lots, nor shall any less than all of such lots as originally platted be conveyed or transferred or any easement or other interest given therein, except for public utilities, without the prior written approval of the Declarant.

2.20 SIGNS. No commercial signs whatsoever which are visible from neighboring property shall be erected or maintained on any lot within the residential area except:

- a. Such signs as may be required by legal proceedings;
- b. Not more than two (2) Residential identifications signs of a combined total face area of seventy-two (72) square inches or less for each lot;
- c. During the time of construction of any residence or other improvement, or to sell an existing home, two job identification signs not larger than eighteen (18) by twenty-four (24) inches in height and width and having a face area not larger than three (3) square feet; and
- d. Such signs the nature, number, and location of which have been approved in advance by the Declarant.

2.21 ON-SITE GRADING. Each builder/homeowner will design on-site lot grading to facilitate protection of his home from run-off. Lot grading should be completed in accordance with or similar to those designs provided by HUD-FHA in their manual (4240.1) which includes provision for any run-off waters to drain along each side lot line and along all lot lines. Lot grading is to include sloping the yard away from the home in all directions eliminating the possibility of run-off waters running to the house foundation. (See attached Detail) For those lots with a side slope, it will be the responsibility of the owner of the down hill (lower) lot to insure the existing grade of the adjoining lot up hill from his/her, by means if necessary, of a retaining wall, erosion resistant landscaping or other decorative structure on his/her property.

2.22 MAILBOX LOCATION. Mailbox location shall be as determined by the United States Postal Service and DECLARANT. DECLARANT may choose to use a neighborhood box system and may choose not to allow individual mailboxes throughout the subdivision.

2.23 UTILITIES. All lots shall be served by underground utility, electrical and telephone lines and cable television and no above ground distribution lines shall be installed. Overhead wires shall not be allowed and are expressly prohibited.

2.24 BUILDING SIZES. No dwelling shall be permitted in this subdivision having a ground floor area of the main structure, exclusive of one-story open porches and garages, of not less than 1750 square feet for a one-story dwelling and not less than 2000 square feet on the first two floors of a two-story dwelling. For split-level homes, the two upper levels directly under exterior roof must collectively contain at least 1750 square feet. It is further required that each home have a minimum of a two car garage having an interior width of not less than 24 feet attached to the home.

However, if homes are constructed with 3 car garages of at least 30 feet of width (with either 3 separate single garage door openings, or a double garage door opening in conjunction with a single garage door opening), then minimum square footage shall be reduced to 1550 square feet for the upper levels. Under direct roof for the split level home and 1900 square feet for the combined upper two floors of a 2-story home. As in the entire subdivision, garages may only be used for the storage of automobiles or other personal property and may not be converted to living area unless a new garage is built at the same time of garage conversion and is approved by both the architectural review committee and the city.

2.25. PARK STRIP. Homeowners of Lots 2-7, Block 1, Lots 2-7, Block 2, and Lot 1, Block 3 are responsible for the maintenance of the "Park Strip" between the curb and the sidewalk, and are to plant, care for and maintain three (3) trees per lot evenly spaced in the park strip. These trees are to be of the species Little Leaf Linden, (*Tilia cordata*). Trees will be planted within the first growing season possible following completion of construction of the home on any given lot. This "Park Strip" is to be grass or other vegetative cover.

2.26 CURBING. All curb and gutter in this subdivision is of square back design requiring drive way curb cuts. On those lots without curb cuts in place, such cuts will need to be "sawed out" by the owner to proper specification to match the desired drive way. Under no circumstances will any piping or fill-in materials be allowed in the gutter.

2.27 TREE PLANTINGS. Certain species of trees will not be allowed in this subdivision. These include Siberian Elm (*Ulmus pumila*), American Elm (*Ulmus americana*), Russian Olive (*Eleagnus Spp.*), all cottonwood and poplar species (*Populus spp.*). Trees are not to exceed 40 feet in height. At the time any tree exceeds this height of 40 feet, it must be trimmed or removed. Attached is a list of recommended species to be used.

2.28 LANDSCAPE & FENCES. All yards shall be landscaped in a professional like manner and appearance, with fencing permitted only in the back and side yards with no fencing closer than 25 feet from the front property line. Landscaping shall be installed no later than the beginning of the first growing season after the completion of home construction. All fences shall comply with the city ordinance. No wire netting, chicken wire, barbed wire or chain link fences will be allowed. Any fencing will be of wood, masonry, vinyl or similar materials and maintained in an attractive manner.

2.29 COMMON AREA & STORM WATER RETENTION. All common areas & storm water retention, defined as Lot 1, Block 1, and Lot 1 Block 2 shall be maintained solely by the Home Owner's Association. Maintenance to include any and all repairs, cleaning, upkeep of grounds, and irrigation system.

ARTICLE 3. VINEYARD COURT SUBDIVISION HOMEOWNERS' ASSOCIATION.

3.1 OFFICES OF THE ASSOCIATION. The initial registered office of the Association shall be 812 E Clark, Pocatello, Idaho, 83201. The Association may change its registered office and may maintain other offices within or without the United States as the Board of Directors may from time to time determine.

3.2 MEMBERSHIP.

- a. OWNER MEMBERS. Membership in the Association, except for membership of the Grantor, or any of its successors or assigns thereto, shall be limited to owners of lots in Vineyard Court Subdivision. Each Owner shall be entitled to one membership in the Association, for owner and owner's family residing in the house. Ownership of a lot shall be the sole qualification and criteria for membership. The foregoing is intended to preclude persons or entities who hold an interest merely as security for the performance of an obligation from being members. Each owner, by virtue of being an owner and for so long as is an owner, shall be a member of the Association, or, in the event of its dissolution, a member of the unincorporated association succeeding to the Association. The rights and obligation of an owner and membership in the Association shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of ownership to the owner's lot and then only to the transferee of ownership to such lot, or by intestate succession, testamentary disposition, foreclosure of mortgage of record, or other legal process as now in effect or as may hereafter be established. Any attempt to make a prohibited transfer is void and shall not be recognized by the Association. In the event an owner of any lot should fail or refuse to transfer the membership registered in that owner's name to the transferee of such lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new membership to the transferee and the old membership outstanding in the name of the Seller shall be null and void as though the same had been surrendered.
- b. MEMBER'S RIGHTS AND DUTIES. The rights, duties, privileges and obligations of an owner as a member of the association or its succeeding unincorporated association, shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of this Declaration, the Articles and the By-Laws.

- c. **RIGHTS UPON DISSOLUTION.** If the Association dissolves, each lot owner shall be a member an unincorporated association which will succeed to the rights of the Association. Each member of the unincorporated association shall have an underlying beneficial interest in all of the Association's property transferred to or for the account or benefit of the unincorporated association, such interest being in direct proportion to the number of lots owned by such member; provided, however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such member or other person acquiring any interest in said property, or any part thereof, seek judicial partition, the right to do so being expressly waived.

3.3 MEETINGS

- a. **ANNUAL MEETINGS.** The annual meeting of Members of the Association shall be held five months after the close of the fiscal year of the Association, for the purpose of electing Directors, and transacting such other business as may properly come before the meeting. The annual meeting of Members may be call by a Director, Officer, or Member of the Association.
- b. **SPECIAL MEETINGS.** Special meetings of the Members may be held at any time of the purposes stated in the notice of the special meeting. Special meetings may be called at any time by the Board of Directors, the President, or the holders of not less than twenty percent of all shares entitled to vote at the meeting.
- c. **PLACE OF MEETING.** Meetings of Members may be held at such places within or without the State as shall be designated in the notices or waivers of notice of such meetings.
- d. **NOTICE OF MEETINGS.** Written notice stating the place, day and hour of any meeting and, in case of a special meeting, the purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, by or at the directions of the persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, the notice of a meeting shall be deemed to be delivered when deposited, postage prepaid, in the United States mail address t the Member at the Member's address as it appears on the County records as the recorded sale of the Property or at such other last known address of which the Association may have notice
- e. **WAIVER OF NOTICE.** Notice of a meeting may be waived by a written Waiver of Notice signed by all the Members and filed in the minute book of the Association.

- f. **CHAIRPERSON.** At the meeting of Members, the President of the Association shall preside, or, if absent, a chairperson chosen by the Members.
- g. **QUORUM OF ADJOURNMENTS.** A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Members. The Members present at a duly organized and convened meeting where a quorum was present can continue to do business as a quorum until adjournment, notwithstanding the withdrawal of Members leaving less than majority of the shares entitled to vote.

3.4. VOTING.

- a. **NUMBER OF VOTES.** At each meeting of Members, each Member of record of stock of the Association entitled to vote at the meeting (as determined pursuant to Section 6.4 of the Bylaws) shall be entitled to one vote for each share of stock registered in the Member's name on the books of the Association, except as follows: (i) Treasury shares shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares, (ii) Unless otherwise provided in the Articles of Incorporation, in all elections for Directors each Member shall have a number of votes equal to the number of shares held by the Member, multiplied by the number of Directors to be elected.
- b. **VOTING BY PROXY.** Each Member entitled to vote at a meeting or to express consent or dissent without a meeting, may do so by proxy. The instrument authorizing the proxy to act shall be executed in writing by the Member or by the Member's duly authorized attorney in fact. The proxy is invalid after eleven months from the date of its execution unless otherwise provided in the proxy or by law.
- c. **ACT OF MEMBERS.** An affirmative vote of majority of shares represented at a meeting in which a quorum was present (as provided in Section 2.7 of the Bylaws) is an act of the Members, except as follows: (i) At elections of Directors, the candidates receiving the highest number of votes shall be elected to the Board of Directors, and (ii) The Articles of Incorporation or the Idaho Business Corporation Act may require a greater number of votes to constitute an act of the Members where, for example, the subject of the vote is to amend the Articles of Incorporation, to merge, consolidate or exchange shares of the Association, to sell all or substantially all the assets of the Association outside the regular course of business, or to dissolve the Association.
- d. **ACTION BY CONSENT.** Any resolution in writing and signed by all the Members entitled to vote on the resolution shall constitute action by the members with the same effect as if the resolution was duly passed by unanimous vote at a

duly held meeting of the Members. Such resolution shall be signed, dated, and inserted in the Minute Book of the Association.

3.5 BOARD OF DIRECTORS

- a. **NUMBER OF DIRECTORS.** The number of the Directors of the Association shall be one (1) and shall not exceed five (5) unless and until otherwise determined by vote of a majority of the Members.
- b. **CUMULATIVE VOTING FOR DIRECTORS.** In all elections of Directors, each Member shall have a number of votes equal to the number of shares held by the Member, multiplied by the number of Directors to be elected. Such number of votes may be distributed equally or unequally among the candidates, or may be cumulatively voted for one candidate.
- c. **ELECTION OF DIRECTORS.** The candidates receiving the highest number of votes shall be elected to the Board of Directors.
- d. **TERM OF OFFICE.** Each Director shall hold office until the next annual meeting of the Members, and until the Director's successor is elected and qualified, or until the Director's prior death, resignation or removal.
- e. **ANNUAL MEETINGS.** An annual meeting of the Board Directors shall be held following the annual meeting of Members. The purposes of the annual meeting of the Board of Directors are to elect the Chairperson of the Board of Directors, to elect officers of the Association, and to conduct such other business as may properly come before it. The annual meeting of the board of Directors may be called by an officer of Director of the Association.
- f. **REGULAR MEETINGS.** Regular meetings of the Board of Directors may be held at a regularly scheduled place, date and hour. The purpose of the regular meetings is to conduct the business of the Association. The places, dates and hours of regular meetings, if any, shall be established by resolution adopted by the Board of Directors. The resolution adopted by the Board of Directors. The resolution, when delivered to all of the Directors, shall constitute the call of the regular meetings described in the resolution.
- g. **SPECIAL MEETINGS.** Special meetings of the board of Directors may be held at the place, date and hour, and for the corporate purposes set forth in the Notice of the special meeting. Special meetings may be called by the president or one of the Directors.

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- h. PLACE OF MEETINGS. All meetings of Directors may be held at such places within or without the state as shall be designated in the notices or waivers of notice of such meetings.
- i. NOTICE OF MEETINGS. Written notice of the annual meeting and any special meetings, and, in the case of a special meeting, the purposes for which the meeting is called, shall be delivered not less than five days before the date of the annual or special meeting, either personally or by mail, by or at the direction of the person calling the meeting, to each Director of the Association entitled to vote at such meeting. Notice of regular meetings shall be given by the Secretary delivering to each Director the resolution adopted by the Board of Directors setting forth the places, dates and hours of the regular meetings five days before the first regular meeting scheduled in the resolution. If mailed, notices shall be deemed to be delivered when deposited when deposited postage prepaid in the United State mail addressed to the Director at the Director's last known address of which the association may have notice.
- j. WAIVER OF NOTICE. Notice of any meeting may be waived by written Waiver of Notice signed by all Directors and filed in the Minute book of the Association.
- k. CHAIRPERSON. At all meetings of Board of Directors, the Chairperson of the Board, if any and if present, shall preside. If there is no Chairperson or the Chairperson is absent, then the President shall preside. In the absence of the Chairperson and the President, a chairperson chosen by the Directors shall preside.
- l. QUORUM AND ADJOURNMENTS. At all meetings of the Board of Directors, the presence of a majority of the entire Board shall constitute a quorum for the transaction of business. A majority of the Directors present at the time and place of any meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.
- m. VOTING. Each director entitled to vote at a meeting shall have one vote.
- n. ACTION BY CONSENT. The action of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Any resolution in writing signed by all of the Directors entitled to vote on the resolution shall be the act of the Board of Directors with the same force and effect as if the same had been passed by unanimous vote of a duly called meeting of the Board. Such resolution shall be signed, dated and inserted in the Minute Book of the Association.

- o. **VACANCIES.** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of the Director's predecessor in office. The members may elect the successor Director at the next annual meeting of Members or at any special meeting duly called for that purpose and held prior to the next annual meeting. Any Directorship to be filled by reason of an increase in the number of Directors may be filled by the Board of Directors for a term of office continuing only until the next election of Directors by the Members.
- p. **RESIGNATION.** Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Association. Unless otherwise specified in the notice of resignation, the resignation shall take effect upon receipt of the resignation by the Board of Directors or such officer. The acceptance of the resignation shall not be necessary to make the resignation effective.
- q. **REMOVAL.** At a meeting of Members called expressly for that purpose, any Director or the entire Board of Directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of Directors. If less than the entire Board is to be removed, no one of the Directors may be removed if the votes cast against such Director's removal would be sufficient to elect such Director if then cumulatively voted at an election of the entire Board of Directors.
- r. **COMMITTEES.** The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may, from time to time, designate, from among its members, an executive committee and such other committees, and alternative members thereof, as they deem desirable. Each committee shall consist of one or more members, with the powers and authority (to the extent permitted by law) provided in the resolution creating the committee. Each committee shall serve at the pleasure of the Board.
- s. **AMENDMENTS.** The Board of Directors shall have the power to adopt, amend and repeal the Bylaws of the association.

3.6 OFFICERS

- a. **NUMBER QUALIFICATIONS, ELECTIONS AND TERM OF OFFICE.** The officers of the Association shall consist of a President, a Vice-President, a Secretary, a Treasurer and such other officers as the Board of Directors may, from time to time, deem advisable. Any one or more offices may be held by the same person. The officers of the Association shall be elected by the Board of Directors

at the annual meeting of the Board of Directors. Each officer shall hold office until the next annual meeting of the Board of Directors, and until a successor shall have been elected and qualified, or until the officer's death, resignation and removal.

- b. **VACANCIES.** A vacancy in any office be reason of death, resignation, inability to act, disqualification, or any other cause, may at any time be filled for the unexpired portion of the term by the Board of Directors.
- c. **RESIGNATION.** Any officer may resign at any time by giving written notice of such resignation to the Board of Directors, or the President or Secretary of the Association. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors of by such officer. The acceptance of a resignation shall not be necessary to make it effective.
- d. **REMOVAL.** Any officer or agent may be removed by the Board of Directors whenever in its judgement the best interest of the Association will be served. Removal shall be without prejudice to the contract rights, if any, or the person to be removed.
- e. **DUTIES AND OFFICERS.** Officers of the Association, unless otherwise proved by the Board of Directors, shall have the powers and duties as generally pertain to their respective offices and the powers and duties as may be set forth in these Bylaws, or specifically conferred or imposed by the Board of Directors.

3.7 INDEMNIFICATION

- a. **INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS.** The Association may indemnify officers, Directors, employees and agents of the association to the extent permitted by, and in accordance with, the Idaho Business Corporation Act.
- b. **INSURANCE.** The Association may purchase and maintain insurance on behalf of any person, who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, office, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity or arising out os such person's status as such, whether or not the Association would have the power to indemnify such person against such liability.

3.8 WATER SYSTEM AND COMMON AREA RESPONSIBILITY.

- a. The Association will have the responsibility to acquire and own Real Estate and all water rights appurtenant thereto; to apply for and Own permits certificates and rights heretofore issued, or in future to Be issued, by the Idaho State Department of Water Resources;
- b. The Association will have the responsibility to **own** and to **operate** Water well sites and water systems including, but not limited to, Pumps, water tanks, reservoirs, and conveyance systems, whether now Existing or hereafter acquired.
- c. The Association will have responsibility to own, operate, maintain, and repair all common areas, and/or water retention areas, within Vineyard Courts Subdivision, whether now existing or hereinafter acquired.

ARTICLE 4. FUNDS AND ASSESSMENTS

4.1 DECLARATION OF ASSESSMENT AND AGREEMENT OF PAYMENT. The Grantor, for each lot owned within the properties, hereby covenants, and each owner of any lot by the acceptance of a deed therefore or acceptance of an agreement to purchase, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association the assessments made as hereafter provided in Section 4.3.

4.2 PURPOSE OF ASSESSMENTS. The annual and special assessments levied by the association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of Vineyard Courts Subdivision, and in particular for the improvement and maintenance of the common areas, services and facilities devoted to these purposes. No owner of a house may exempt that owner from liability for contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by the abandonment of the owner's house.

4.3 ASSESSMENTS. The initial assessment shall be Ten Dollars (\$10.00) per lot per month beginning with the month of closing the first sale of a lot. Thereafter the following procedure shall govern such assessments.

- a. At least thirty (30) days prior to the commencement of each fiscal year, the Board shall estimate the costs and expenses to be incurred by the association during such fiscal year in performing its functions under this Declaration (including a reasonable provision for contingencies and replacements), and shall subtract from such estimate an amount equal to the anticipated balance (exclusive of any reserves) in the operating fund at the start of such fiscal year which is attributable to fees and assessments received for the prior fiscal year. The foregoing computations shall constitute the budget, which shall be presented to the owners at the Annual Meeting of the Association. The Directors shall determine the amount of an annual assessment necessary to meet the Budget. The amount so

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determined shall be levied as an assessment against each lot in Vineyard Court Subdivision and against each owner individually. The amount of each assessment may vary from year to year, and may vary in any one year as between improved and unimproved lots. A lot shall be deemed to be improved ninety (90) days after the start of construction of a residence thereon, whether said construction is completed within said time.

- b. **PAYMENT OF ANNUAL ASSESSMENT.** The time of the first conveyance or occupancy (whichever occurs first) of each unit and from time to time thereafter, the Board shall notify the owner or owners of each lot as to the amount of the annual assessment and shall each month collect for each lot one-twelfth (1/12) of said lot's proportional share of said annual assessment.
- c. **SPECIAL ASSESSMENTS.** In addition to other assessments authorized by this Declaration, the board shall have the right and power to levy a special assessment applicable for the purpose for providing for the construction of additional recreational and other common facilities, unexpected repairs, or the alteration, replacement, demolition or removal of existing recreational and other common facilities, from time to time, as in its discretion appears to be in the best interest of the Association. Any such alteration, demolition, removal, construction, improvements or additions increasing the owner's assessment for that year over the then maximum limitation shall be authorized by an affirmative vote of a majority of the Board at a duly called meeting at which a quorum is present, and ratified and approved by a majority vote of the members who shall vote in person or by proxy at a meeting called for that purpose.
- d. **UNIFORM RATE OF ASSESSMENT.** Both annual and special assessments must be fixed at a uniform rate for all improved lots, and may be collected on a lump sum or on a monthly installment basis.

4.4 SPECIAL INDIVIDUAL ASSESSMENT. The Board may levy a special assessment against any owner and owner's lot as a result of whose failure to comply with this Declaration, or the Vineyard Court Subdivision Rules, monies are about to be or were expended by the Association from the operating fund in performing its functions under the Declaration, the Articles and By-Laws. Such assessments shall include, but not be limited to, reimbursement to the Association for any amount so expended or to be expended, and shall be due and payable to the Association when levied. Special individual assessments shall be enforced in the same manner as annual or other special assessments.

4.5 OPERATING FUND. There shall be an operating fund from which the Association shall make disbursements in performing the functions of the Association, and into which the Association shall deposit all monies paid to it as:

- a. Annual Assessments;
- b. Special Assessments;
- c. Miscellaneous fees; and
- d. Income and profits attributable to the operating fund.

4.6 ENFORCEMENT OF ASSESSMENTS. Each assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the owner or owners against whom same is assessed, and shall constitute a lien and charge upon the lot in Vineyard Court Subdivision to which the assessment relates or is owned by said owner. Each owner of any lot becoming an owner of any lot or by acceptance of a deed relating thereto or by acceptance of any other document or instrument conveying an ownership interest therein, whether or not it shall be so expressed in any such deed or other document or instrument, is and shall be deemed to covenant and agree to pay to the Association the assessments provided for herein, and agrees to the enforcement of the assessments in the manner herein specified. In the event the Association employs an attorney or attorneys for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, each owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due from the owner or any other relief or remedy obtained against said owner. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or bylaw provided, the Association may enforce each such obligation in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures:

- a. ENFORCEMENT BY SUIT. The Association may bring suit at law against each owner or owners to enforce each such assessment obligation. Each owner agrees that any judgment rendered in any such action shall include a sum for reasonable attorneys' fees in such amount as the court may adjudge against the defaulting owner, plus all Court costs and necessary expenses and accounting fees incurred by the Association, plus interest on the amount of said assessment at the maximum legal rate allowed by law from the date the assessment becomes delinquent until paid in full.

b. **ENFORCEMENT BY LIEN.** The Association shall give notice to each lot owner whose assessment is due and unpaid by mailing to said owner a copy of the notice and claim of lien which shall state the following:

1. The last known name of the delinquent owner;
2. The legal description and street address of the lot against which claim of lien is made;
3. The amount claimed to be due and owing (with any offset allowed);
4. That the claim of lien is made by the association pursuant to the terms of the Declaration; and
5. That a lien is claimed against the lot in an amount equal to the amount of the state delinquency.

The Association shall immediately record a duly executed original or copy or such notice and claim of lien and the lien claimed therein shall immediately attach and become effective as a lien upon the lot against which such assessment was levied. Each default in payment of an assessment shall constitute a separate bases for a claim of lien or a lien, but any number of defaults may be included within a single notice and claim of lien. The amount of the lien shall include the amount of the unpaid assessments, plus interest on the amount of the assessment at the maximum legal rate from the date the assessment becomes delinquent until paid in full, plus a lien charge to cover recording, legal and accounting expenses incident thereto. The amount of said lien charge may be increased or decreased by the Board in its sole discretion. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a realty mortgage or trust deed as set forth by the laws of the State of Idaho, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other lot owners. The Association shall have the power to bid in its interest at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any lot. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each owner, by becoming an owner of a lot in Vineyard Court Subdivision, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner and also hereby expressly waives the defense of the Statute of Limitations applicable to the bringing of any suit or action thereon.

- c. **ESTOPPEL CERTIFICATE.** Any owner shall be entitled to an Estoppel Certificate from the Board setting forth the amount of any due and unpaid assessments with respect to said owner's lot (or the fact that all assessments due are paid if such is the case) within a reasonable time after demand therefor and upon payment of a reasonable fee to be determined by the Board.
- d. **NOTIFICATION.** The Association may notify all owners of the names of all persons who have defaulted in the payment of any assessment when due and the amount thereof in the discretion of the Board.

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4.7 SUBORDINATION TO MORTGAGES

- a. SUBORDINATION. The lien or liens created hereby upon any lot shall be subject to and shall not affect the rights of the holder of an indebtedness made in good faith, for value, and secured by a duly executed mortgage or deed of trust upon such lot recorded prior in time to the recording of the notice and claim of lien provided for above, in favor of or for the benefit of an institutional lender (meaning a bank, insurance company or savings and loan or building and loan association). However, after the foreclosure of any such mortgage by any such institutional lender, there may be a lien created pursuant to Section 4.6 on the interest of the purchaser at such foreclosure sale to secure all assessments hereunder assessed to such purchaser as an owner after the date of such foreclosure sale, which lien shall have the same effect and be enforced in the same manner as provided herein.
- b. AMENDMENT. No amendment to Paragraph (a) above shall affect the rights of the holder of any such mortgage recorded prior to the recordation of such amendment who does not join in the execution thereof.
- c. RIGHT UPON FORECLOSURE. In the event of a foreclosure, the foreclosing party (or the receiver appointed in such action) shall not have the right nor the power to exercise any of the rights or privileges of an owner, including voting, until sch party has acquired title and any redemption period has expired. At such time as the first mortgagee shall become record owner of the lot and house, said first mortgagee shall be subject to all of the terms and conditions of these covenants, conditions and restrictions, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any owner.

ARTICLE 5. MISCELLANEOUS PROVISIONS.

5.1 DIVIDENDS. Subject to the Idaho Business Corporation Act, dividends may be declared and paid out of any available funds as often, in such amounts, and at such times as the Board of Directors may determine.

5.2 FISCAL YEAR. The fiscal year of the Association shall be fixed by the Board of Directors.

5.3 CORPORATE SEAL. The Corporate seal, if any, shall be in the form approved by the Board of Directors.

5.4 BOOKS AND RECORDS. The books, accounts minutes of the proceedings of Members and the Board of Directors, and a record of Members, giving the names and addresses

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of all Members and the number and class of shares held by each Member, shall be kept by the Association at such places as designated by the Board of Directors.

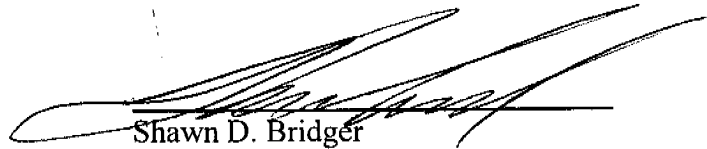
5.5 CONTRACTS WITH DIRECTORS AND OFFICERS. No contract or other transaction between the Association and one or more Directors or officers shall be either void or voidable because of such relationship or because the interested party was present at a meeting approving such contract or transaction.

5.6 LENDING TO DIRECTORS AND OFFICERS. The Association shall not lend money to or use its credit to assist a Director without authorization in the particular case by the Members. The Association shall not lend money to or use its credit to assist an officer, without authorization in the particular case by the Directors.

ARTICLE 6. CERTIFICATION.

a. BOARD CERTIFICATION

We the undersigned, being the initial Directors of the Association, hereby certify that the preceding Bylaws were regularly adopted by Resolution of the Board of Directors at the organizational meeting held on the 22 Day of January, 2004.


Shawn D. Bridger


Dustin R. Morrison


Lynn L. Bridger

b. SECRETARY CERTIFICATION.

I, the undersigned, certify:

That I am the duly elected and acting Secretary of the Association; and that the foregoing Bylaws constitute the original Bylaws of the Association as adopted at a meeting of the Board of Directors held on the 22 Day of January, 2004.



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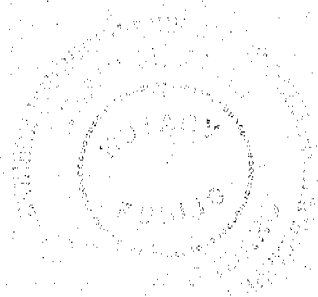
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OFFICIAL RECORD BK# 843
LARRY W GHAN RECORDER
BANNOCK COUNTY IDAHO

STATE OF IDAHO)
: SS
COUNTY OF BANNOCK)

On this 22nd Day of January, 2004, before me the undersigned Notary Public, in and for said State of Idaho, personally appeared Shawn D. Bridger, Dustin R. Morrison, and Lynn L. Bridger, known to me to be the Managers of the corporation that executed the instrument on behalf of said corporation, and acknowledged to me that such corporate officers executed the same.

IN WITNESS Whereof, I hereunto set my hand and affixed my official seal the day and year mentioned above.



Shad M Aye
NOTARY PUBLIC - STATE OF IDAHO
Chubbuck, Id

Commission Expires: 5-10-07