

EXHIBIT "A"  
SEPARATE DECLARATION FOR TOWNHOME RESIDENTIAL LOTS

1. Designation. Declarant declares that Lots 23 through 52 in Block 10; Lots 54 through 64 in Block 10; Lots 2 through 9 in Block 26; and Lots 11 through 18 in Block 26 of the Supplemental Property are Townhome Residential Lots and are subject to this Exhibit "A" special and separate declaration. All of the terms and conditions of the Supplemental Declaration of Covenants, Conditions and Restrictions for Bridgetower Crossing Subdivision No. 7 are deemed incorporated into this Exhibit by reference.

2. Townhome Residential Lot Use. Owners of Townhome Residential Lots may construct "Townhomes," "Townhouses," or "Patio Homes" on these designated Lots. The definition of "Townhomes," "Townhouses," or "Patio Homes" are those found in the Meridian City Ordinances and shall include those types and styles allowed by the City of Meridian, providing that they also conform to the requirements set forth in this Exhibit. Generally, Townhome Residential Lots allow residences to be constructed that will leave limited yard areas, allow for reduced setbacks, including zero side setbacks in certain situations as depicted on the Plat, and allow residences that may make use of common wall and/or common roof construction. Townhome Residential Lots may be used to construct duplex dwelling units, but shall not include row houses. Each residence must be a minimum of 1,100 square feet in size, excluding garages, and the bottom of all building footings must be a minimum of twelve (12) inches above the established high groundwater elevation.

3. Setbacks for Townhome Residential Lots. Setbacks shall be as follows (unless more restrictive setbacks are imposed by the City of Meridian at the time of application for a building permit):

For Townhome Residential Lots:

Front – 20' (Front Entry Garage) or

15' (Non-Front Entry Garage)

Rear – 15'

Side – As allowed by the City of Meridian in accordance with CUP-03-007 and development agreements. The City of Meridian may permit construction on some Townhome Residential Lots with a zero foot (0') side lot setback with common walls.

Street Side – 20'

4. Construction Approval. Other than the minimum size requirements and setback requirements and the general use criteria set forth in Section 2 above, approval for design and construction of Townhome Residences shall be primarily controlled by the City of Meridian. Notwithstanding the City of Meridian's primary role regarding construction and design requirements, Declarant, or at Declarant's discretion, a special Townhome Residential Design Review Committee, shall have the right, in addition to the City of Meridian, to approve the exterior design (including elevations and materials) of every Townhome Residence before it shall be constructed and to approve the final "landscape package" to be installed by the Owner's

builder. Declarant or the special Townhome Residential Design Review Committee (if one is formed) shall have the right to charge a design approval fee not to exceed Five Hundred Dollars (\$500).

5. Sub-Association for Owners of Townhome Residential Lots. Because of the unique nature of Townhome Residential Lots and the nature of Townhomes that will be constructed thereon, a separate sub-association shall be created for the Owners of Townhome Residential Lots. This sub-association shall be known as the Bridgetower Crossing No. 7 Townhome Owners Association, Inc., an Idaho non-profit corporation, hereinafter referred to as the "No. 7 Townhome Sub-Association." The following terms, conditions, covenants, restrictions, and duties shall be applicable only to Members of the No. 7 Townhome Sub-Association:

(a) Each Owner of a Townhome Residential Lot in Bridgetower Crossing Subdivision No. 7 shall be a member of the No. 7 Townhome Sub-Association, a non-profit Idaho corporation. Membership in the No. 7 Townhome Sub-Association is an incident of Townhome Residential Lot ownership, and is in addition to being a Member in the Association (Bridgetower Owners Association, LLC, the "Association"). Membership in the No. 7 Townhome Sub-Association and Membership in the Association is mandatory.

(b) The primary purpose of the No. 7 Townhome Sub-Association is to provide for uniform perpetual landscape maintenance of the "landscape package" that will be installed on each of the Townhome Residential Lots as a part of the construction of each Townhome. The "landscape package" (as defined in Section 7) shall be installed by the Owner's builder and, once installed, shall be maintained by the No. 7 Townhome Sub-Association. The No. 7 Townhome Sub-Association may provide maintenance to other common features unique to Townhome Residential Lots, including but not limited to snow removal, as the No. 7 Townhome Sub-Association may decide. However, the preliminary maximum monthly assessment budget as set forth in Section 6 (b)(4) of this Separate Declaration, is based solely on Declarant's forecast of the reasonable expense that will be incurred by the No. 7 Townhome Sub-Association to provide the mandatory landscape package maintenance and for general Sub-Association operating expenses, and does not include any supplemental amount for other services the No. 7 Townhome Sub-Association may decide to undertake. The No. 7 Townhome Sub-Association shall not be responsible for maintenance of any Common Area Lot, which maintenance is the responsibility of the Association, nor shall it provide maintenance to any special or not-in-common features placed on a Townhome Residential Lot by any Lot owner.

6. Membership. Every Owner of a Townhome Residential Lot shall, in addition to being a Member of the Association, be a member of the No. 7 Townhome Sub-Association. The foregoing is not intended to include persons or entities who hold an interest in a Townhome Residential Lot merely as security for the payment of an obligation. Membership in the No. 7 Townhome Sub-Association shall be appurtenant to and may not be separated from ownership of a Townhome Residential 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 the Townhome Residential Lot shall terminate or be transferred.



(a) Voting Rights. The No. 7 Townhome Sub-Association shall have two classes of voting membership:

(1) Class A. A Class A Member shall be each Owner of a Townhome Residential Lot, with the exception of an owner who is a Class B Member. Each Class A Member shall be entitled to cast one vote for each Lot owned. When more than one person holds an interest in any Townhome Residential Lot, all such persons shall be members of the No. 7 Townhome Sub-Association. However, the vote for each Class A membership Lot shall be exercised as the joint owners may determine, but in no event shall more than one vote be cast with respect to any Class A member owned Townhome Residential Lot. Fractional votes shall not be allowed.

(2) Class B. There shall be one Class B Member, who is the Declarant and Declarant's assigns, who remains as the Owner of a Townhome Residential Lot until a residence is constructed on the Lot and title is then transferred to a Class A Member. The Class B Member shall be entitled to cast five (5) votes for each Townhome Residential Lot owned by the Class B Member. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

(A) When all of the Townhome Residential Lots are owned by Class A members; or

(B) On December 31, 2014.

(b) Assessments.

(1) Creation of Lien and Personal Obligation of Assessments. Each Owner of each Townhome Residential Lot, by acceptance of a deed thereto (and whether or not it shall be so expressed in such deed), is deemed to covenant, promise and agree to pay to the No. 7 Townhome Sub-Association:

(A) All regular annual or other regular periodic assessments or charges levied by the No. 7 Townhome Sub-Association; and

(B) All special assessments for capital improvements, 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 and against that respective Townhome Residential Lot and shall be a continuing lien upon and against each respective Lot against which such assessment is made, which lien may be foreclosed in the manner allowed by law. Each such assessment, together with interest, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Townhome Residential Lot at the time when the assessment fell due. The obligation shall remain a lien on the respective Townhome Residential Lot until paid or foreclosed, but shall not be a personal obligation of successors in title, unless expressly assumed by that successor in title. The assessments provided for herein and due to the

No. 7 Townhome Sub-Association shall be in addition to those provided for Townhome Residential Lot Owners in the Initial Declaration and due to the Association.

(2) Purpose of Assessments. The assessments levied by the No. 7 Townhome Sub-Association shall be used for the reasonable expenses incurred in the operation of the affairs of the No. 7 Townhome Sub-Association, for the expenses incurred by the No. 7 Townhome Sub-Association in connection with any of its obligations contained in this Exhibit to the Supplemental Declaration or in the Bylaws of the No. 7 Townhome Sub-Association, and for any other purpose reasonably authorized by the Directors of the No. 7 Townhome Sub-Association.

(3) One Time Initial Assessments. Each Owner of a Townhome Residential Lot shall incur a one time initial assessment of \$250.00 to the Declarant, and a one time initial assessment of \$120.00 to the No. 7 Townhome Sub-Association.

(4) Maximum Annual Assessment. Until that point in time when Declarant has conveyed title to more than fifty percent (50%) of the Townhome Residential Lots to residential lot owners ("minimum lot sales"), the maximum monthly assessment due the No. 7 Townhome Sub-Association by each Class A Member shall not exceed \$40.00 (per month), which amount is in addition to the annual amount due the Association (currently \$500.00) and the one-time initial assessment to the No. 7 Townhome Sub-Association. Each lot owner recognizes that the assessment is an estimate by the Declarant, taking into consideration only the maintenance of the "landscape package" (described in Section 7) and the reasonable expenses of operating the Sub-Association, including a reasonable management fee, and that these expenses will be subject to increases after a period of time. After Declarant has made the minimum lot sales, the Board of Directors of the No. 7 Townhome Sub-Association shall fix the annual assessment at an amount necessary to provide for the mandatory maintenance of the landscape package, other common expenses agreed to be provided for by the Association, and the reasonable operating expenses of the No. 7 Townhome Sub-Association, including a reasonable management fee; and said assessment shall be payable to the No. 7 Townhome Sub-Association in regular monthly, quarterly, semi-annual or annual installments as may be determined by the Board of Directors of the No. 7 Townhome Sub-Association. Assessments due the No. 7 Townhome Sub-Association shall be determined by the Board of Directors of the No. 7 Townhome Sub-Association at least annually, after Declarant has made minimum lot sales.

(5) Special Assessments for Capital Improvements. In addition to the regular assessments authorized above, the No. 7 Townhome Sub-Association may levy, in any assessment year, a special assessment applicable to that year only for any of the No. 7 Townhome Sub-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 No. 7 Townhome Sub-Association shall determine.

(6) Notice and Quorum for Any No. 7 Townhome Sub-Association Action. Written notice of any meeting called for the purpose of taking any No. 7 Townhome Sub-Association action shall be sent to all members not less than thirty (30) days nor more than



sixty (60) days in advance of the meeting, in a manner set forth in the No. 7 Townhome Sub-Association's Bylaws. Quorums for meeting action shall be set forth in the Bylaws.

(7) Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for Class A Member Lots.

(8) Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein and due to the No. 7 Townhome Sub-Association, shall commence as to a Townhome Residential Lot sold on the first day following the initial conveyance of the said Lot to a Class A Member. The first annual assessment shall be adjusted according to the number of days remaining in the calendar year. From the time that minimum lot sales have been met, the Board of Directors of the No. 7 Townhome Sub-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 of the No. 7 Townhome Sub-Association. The No. 7 Townhome Sub-Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the No. 7 Townhome Sub-Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the No. 7 Townhome Sub-Association as to the status of assessments on a Lot is binding upon the No. 7 Townhome Sub-Association as of the date of its issuance.

(9) Effect of Nonpayment of Assessments; Remedies of No. 7 Townhome Sub-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 No. 7 Townhome Sub-Association may bring an action at law against the Owner personally obligated to pay the same, or may elect to foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein because of his non-use of an Association Common Area, nor because he has abandoned use of his Townhome Residential Lot.

(10) 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 Townhome Residential 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.

(11) Exempt Property. All Townhome Residential Lots owned by the Class B Member shall be exempt from the assessments created herein.

7. Description of "Landscape Package," Installation, and Maintenance Responsibility.

(a) The "Landscape Package." The "landscape package" is defined as a generally uniform landscaping scheme with common elements that shall be installed on each Townhome Residential Lot. It shall generally include: (a) grass planted or sodded in the front, back, and side yards, (b) installation of shrubs and trees, (c) installation of flower beds, and (d) installation of an irrigation system to adequately maintain the grass, shrubs and trees. It is subject to more specific Declarant reservations and conditions as set forth below.

(b) Installation. The landscape package shall be installed by the Lot Owner's builder as a part of the construction of the Townhome Residential unit on the Lot. Notwithstanding the Declarant's specific reservations, Declarant shall not be required to install the landscape package. The landscape package shall be installed within a reasonable time after the construction of a Townhome unit and no later than six months after completion of the Townhome unit, and installation shall be accomplished in a workmanlike manner.

(c) Declarant's Specific Reservations. Declarant reserves the right to specify the quantity and type of shrubs and trees, the layout and location, the general location and quantity of flower beds and grass configurations, and the overall design and setup of the irrigation. Alternatively, Declarant may assign these rights to the Townhome Residential Design Review Committee.

Notwithstanding the right of the Declarant to make the foregoing specific decisions regarding the exact makeup of the landscape package that must be installed by the Owner's builder, Declarant shall have no liability to an Owner or to the No. 7 Townhome Sub-Association for any aspect of the landscape package, including but not limited to the viability of the growing material or the effectiveness of the irrigations system. Declarant expressly disclaims any warranty for the landscape package, including all implied warranties.

(d) Flower Beds. Each Lot Owner shall decide upon the type and quantity of flora to be grown in the flower beds. Neither Declarant nor the No. 7 Townhome Sub-Association shall be obligated to plant flowers or other flora in the flower beds, nor maintain the flora or the flower beds. That responsibility shall be the sole responsibility of each Lot Owner.

(e) Maintenance of the Landscape Package. Once the landscape package is installed by Owner's builder, it shall be the duty of the No. 7 Townhome Sub-Association to perpetually provide reasonable maintenance of that landscape package (except the flower beds), which maintenance shall include mowing the lawns, fertilizing the lawns, trimming and pruning the trees and shrubs, and maintaining the sprinkler irrigation system on each Lot. It shall be the separate obligation of each Lot Owner to maintain each flower bed, including adequate weed control. In the event an individual Lot Owner (including his family, guests and invitees) has acted in a negligent or willful manner with regard to the use of any element of the landscape package (including but not limited to improper connections or revisions of the irrigation system) and that act has resulted in special or additional maintenance costs to the No. 7 Townhome Sub-Association, then that Lot Owner shall be solely liable to the Sub-Association for the additional or special cost incurred by the Sub-Association, proximately caused by the Lot Owner's actions, and that separate cost shall be added to and become part of the assessment to which such Owner's Lot is subject.



(f) Access. The No. 7 Townhome Sub-Association reserves an easement for ingress, egress and maintenance as may be reasonably necessary to perform the maintenance duties of the No. 7 Townhome Sub-Association.

(g) Other Maintenance. The No. 7 Townhome Sub-Association may, but shall not be required to provide any other type of maintenance service for the common good of the members, as the Directors shall decide. However, in the event that other maintenance service cannot be provided without a twenty percent (20%) increase in the annual assessments, it shall require the affirmative vote of at least 51% of all members.

(h) Other Maintenance By Owner. Each Owner of each Townhome Residential Lot shall maintain and keep in good order and repair the exterior of his residence unit, including but not limited to the roof thereof, any private decks, fences, and courtyards, and all flower beds. In the event any Owner fails to comply with its duties as set forth herein, the No. 7 Townhome Sub-Association shall have the right to take such legal action as may be necessary in order to compel such compliance. In the event such action is brought by the No. 7 Townhome Sub-Association, the prevailing party shall recover an award of reasonable attorney fees incurred, in addition to other relief as the court shall award. In the event of damage or destruction of a residence unit by fire or other casualty, the owner must complete repair and/or replacement of the residence unit within ninety (90) days of the damage or destruction.

8. Insurance and Bond.

(a) Required Insurance. The No. 7 Townhome Sub-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 No. 7 Townhome Sub-Association to obtain and maintain insurance coverage in addition to any insurance coverage required hereunder in such amounts and in such forms as the No. 7 Townhome Sub-Association may deem appropriate from time to time.

(1) A comprehensive policy of public liability insurance covering the activities of the No. 7 Townhome Sub-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 No. 7 Townhome Sub-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.

(2) If the No. 7 Townhome Sub-Association conducts any of its business affairs through employees of the No. 7 Townhome Sub-Association, worker's compensation in the amounts and in the forms now or hereafter required by law.

(b) Optional Insurance. The No. 7 Townhome Sub-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.

(1) 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 or in such amount as may be reasonable in the premises.

(2) The No. 7 Townhome Sub-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 Townhome Residential Lots.

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

(a) Insurance secured and maintained by the No. 7 Townhome Sub-Association shall not be brought into contribution with insurance held by the individual Owners or their mortgagors, or the Association.

(b) Each policy of insurance obtained by the No. 7 Townhome Sub-Association shall, if possible, provide: A waiver of the insurer's subrogation rights with respect to the Association, the No. 7 Townhome Sub-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 No. 7 Townhome Sub-Association without a prior written demand that the defect be cured; and 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.

(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.

10. Mortgagee Protection. Notwithstanding anything to the contrary contained in this Supplemental Declaration or in the Articles or Bylaws of the No. 7 Townhome Sub-Association:

(a) The No. 7 Townhome Sub-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) Any lien which the No. 7 Townhome Sub-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.

11. General Provisions.



(a) Enforcement. The No. 7 Townhome Sub-Association or any Owner 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 Supplemental Declaration. Failure by the No. 7 Townhome Sub-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 No. 7 Townhome Sub-Association or an Owner is required to initiate any action to enforce the provisions of this Supplemental 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 No. 7 Townhome Sub-Association shall be added to and become a part of the assessment to which such Owner's Lot is subject.

(b) 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.

(c) Amendment. The covenants and restrictions of this Exhibit and those referenced by the incorporation of the Supplemental Declaration shall run with the land and shall inure to the benefit of and be enforceable by the No. 7 Townhome Sub-Association or the legal Owner of any Townhome Residential Lot subject to this Exhibit, the Supplemental Declaration and the Initial Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Supplemental 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 Supplemental 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.

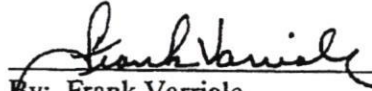
(d) Assignment by Declarant. Any or all rights, powers and reservations of Declarant herein contained may be assigned to the No. 7 Townhome Sub-Association or to any other corporation or association which is now organized or which may hereafter be organized and which will assume the duties of Declarant hereunder pertaining to the particular rights, powers and reservations assigned, and upon any such 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 Declarant herein. All rights of Declarant hereunder reserved or created shall be held and exercised by Declarant alone, so long as it owns any interest in any portion of said property.

(e) Dispute Resolution. All Disputes (as defined herein below) arising between the Declarant and the No. 7 Townhome Sub-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 Declarant and the No. 7 Townhome Sub-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

Declarant and the No. 7 Townhome Sub-Association (whether or not the controversy includes third parties) arising in any way out of this Supplemental Declaration or its interpretation; the Declarant'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 No. 7 Townhome Sub-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.

Approved this 12<sup>th</sup> day of ~~December~~<sup>January 2006</sup>, 2005.

PRIMELAND DEVELOPMENT COMPANY, L.L.P.



By: Frank Varriale  
Its: Managing Partner