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Index to: COVENANTS & RESTRICTIONS

7/2/04

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

NORTHRIDGE IX SUBDIVISION

THIS DECLARATION, made on the date hereunder set forth by Hailey II, L.L.C., an Idaho limited liability company, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in Blaine County, State of Idaho, which is more particularly described as:

NORTHRIDGE IX SUBDIVISION, as found on the official plat thereof on file in the Office of the County Recorder, Blaine County, Idaho. (Hereinafter sometimes referred to as "Subdivision")

NOW, THEREFORE, Declarant hereby declares that all of the Subdivision, with the exception of Blocks 27, 31 and 32 thereof, shall be held, sold, improved and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, said Subdivision and be binding on all parties having any right, title or interest in the said Subdivision or any lot situated therein.

ARTICLE I DEFINITIONS

Section 1. "ASSOCIATION" shall mean and refer to the Northridge IX Homeowners Association, described more particularly in Article V hereinbelow.

Section 2. "BASEMENT." Any habitable area 4'-0" or more below the ground level.

Section 3. "DECLARANT" shall mean and refer to Hailey II, L.L.C., ^{an Idaho} ~~an Idaho~~ ~~limited liability company~~ limited liability company, its successors and assigns.

Section 4. "LOT" shall mean and refer to any platted Lot or tract of land shown upon the plat of the Northridge IX Subdivision recorded in the official records of Blaine County, Idaho, which is subject to, and encumbered by, this Declaration of Covenants, Conditions and Restrictions.

Section 5. "MEMBER" shall mean and refer to a member of the Association.

Section 6. "OWNER" shall throughout this declaration mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot.

Section 7. "SUBDIVISION" shall mean and refer to the Northridge IX Subdivision, according to the official plat thereof recorded in the records of Blaine County, Idaho, and all references herein to a lot or block shall refer to lots and blocks within the Subdivision.

ARTICLE II GENERAL PROVISIONS

Section 1. ENFORCEMENT. Any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions and covenants now or hereafter imposed pursuant to the provisions of this Declaration. Failure by any owner to enforce any covenant, condition, or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. SEVERABILITY. Invalidation or any one of these covenants, conditions, or restrictions by court order or judgment shall in no way affect the validity or effectiveness of any other provisions.

Section 3. AMENDMENT. The covenants, conditions, and restrictions of this Declaration shall run with and bind the land within the Subdivision which is subject to, and encumbered by, this Declaration of Covenants, Conditions and Restrictions, until revoked or terminated as provided for herein. This Declaration may be amended, revoked or terminated at any time by an instrument signed by not less than sixty percent (60%) of the Owners, with one vote per Lot. Any amendment, revocation or termination must be recorded to be effective.

Section 4. ANNEXATION. For a period of three (3) years after the recordation of this Declaration in the records of Blaine County, Idaho, the Declarant may, at its sole discretion, by the execution and recordation of a subsequent Declaration of Covenants, Conditions and Restrictions encumbering Blocks 27, 31 and 32 of the Subdivision, or any portions thereof, place said property under and within the purview of this Declaration, and all of its covenants, conditions and restrictions. Upon the recordation of such a subsequent Declaration, each of said blocks, or portions thereof, shall thereafter be deemed to be included hereunder and all owners thereof shall thereafter be Owners and Members of the Association hereunder for all purposes, in the same manner, and subject to the same rights and obligations as though said property was subject to this Declaration *ab initio*.

ARTICLE III RESIDENTIAL AREA COVENANTS

Section 1. LAND USE AND BUILDING TYPE. All Lots within the Subdivision are exclusively for uses permitted by the applicable provisions of the Hailey Zoning Ordinance, as it now reads, or is hereafter amended to read. No building or structure may be used for business or commercial purposes.

Section 2. MAINTENANCE. Each Lot and all improvements thereon shall be maintained

by the Owner thereof in good condition and repair. Without limiting the foregoing, until a Lot has been improved with a structure, the Owner thereof shall keep it free of debris, trash, inoperable equipment or vehicles, and noxious weeds. If any such items continue on any Lot after notice to remove the same has been given to the Owner thereof by the Association, the Association, or its agents, may thereafter enter upon the Lot and remove the offending items, and be reimbursed by the Owner for all costs reasonably incurred in such removal efforts.

Section 3. PETS AND ANIMALS. Only a reasonable number of house or domestic pets shall be permitted to be kept or maintained on any Lot. Written approval of the Architectural Review Board must be obtained for any Owner to keep more than two (2) dogs or two (2) cats on any Lot within the Subdivision. Goats, sheep, cattle, horses, llamas, swine and other livestock and barnyard animals are not allowed within the Subdivision, nor are wild or dangerous animals of any type.

Section 4. LANDSCAPING. Within one (1) year after construction of any residence on a Lot or Lots within the Subdivision, the Owner must install and/or plant and thereafter properly maintain a lawn and residential landscaping including not less than four (4) trees per lot, but no cottonwood may be planted. Said trees shall be not less than 2 inches in diameter, and shall be planted in the front yard of the Lot or Lots.

Section 5. SIGNS. On any Lot used for residential purposes, no signs shall be permitted except residential identification signs and temporary "For Sale" signs of not more than two (2) feet square in surface area, nor maximum height in excess of four (4) feet; provided that the Declarant may erect a Subdivision advertising sign in conformance with applicable City of Hailey Ordinances. All other signage shall be in accordance with the provisions of applicable Hailey Ordinances.

Section 6. HOUSE TRAILERS, MOBILE HOMES AND OFF-SITE MANUFACTURED HOMES.

No structure of a temporary character, house trailer, tent or shack shall be erected, placed upon, or used on any Lot at any time; provided, however, that during the course of construction of a dwelling house, this covenant shall not be construed to prevent the use of a temporary structure for the exclusive purpose of housing tools and such building materials as may be need to be protected from the elements and provided further that such temporary structure shall not be permitted to remain for a period exceeding ninety (90) days, nor shall it be used at any time as sleeping quarters.

No pre-fabricated or manufactured dwelling unit, mobile home, or previously constructed home shall be moved to and/or placed on any Lot within the Subdivision. Nothing contained in this section shall, however, preclude the Architectural Review Board from reviewing and, if appropriate pursuant to the provisions of Article IV hereinbelow, granting approval for a storage building, small barn, shed, playhouse or other outbuilding which may be manufactured or fabricated at an off-site location. Any question as to whether a particular structure is a pre-fabricated or manufactured dwelling unit or mobile home shall be conclusively decided by a majority vote of the Architectural Review Board.

Section 7. SCREENED AREAS. Each residence shall have not less than an enclosed double car garage and two (2) uncovered parking places on each Lot for parking vehicles belonging to the Lot Owner and occasional guests. On all Lots, boats, snowmobiles, recreational vehicles, campers, lawn and garden equipment, commercial vehicles and equipment, garbage and trash containers, clothes lines, maintenance and service equipment, firewood, stored materials, satellite dishes, and similar personal property shall be screened from streets and adjoining Lots by fences, berms, hedges and similar landscaping or enclosures approved by the Architectural Review Board.

Section 8. FIRES. Exterior fires are permitted only in barbecue pits or outdoor fireplaces. No outdoor burning of lawn clippings, leaves, tree or shrub branches or other landscape material shall be permitted.

Section 9. EXTERIOR COLORS AND FINISHES. Colors of all exterior building surfaces shall be of natural tones which harmonize with the existing landscape and neighboring structures. A limited use of strong accent color may be approved by the Architectural Review Board. No reflective finishes shall be used, with the exception of hardware and detail items. No exposed block construction will be allowed.

Section 10. EXTERIOR MATERIALS. The following materials shall not be permitted on exterior building surfaces:

- (a) Exposed concrete block or cinderblock;
- (b) Metal siding, including aluminum and steel;
- (c) Vertical trim seams of any material on the face of any exterior elevation; provided that this prohibition shall not apply to any corners on the building or trim around windows and doors, with the exception of battens in a "board and bat" application.
- (d) Hardboard siding, wood T paneling, or other similar wood veneer siding material (such as Masonite and T-111 siding) which are manufactured in sheets or pieces the dimensions of which exceed twelve (12) inches in width, unless battens are applied over such siding vertically at intervals not wider than twelve (12) inches apart in a "board and bat" application.

Section 11. ROOFS. Roofs constructed of tar and gravel of any type are not permitted. Wooden shakes, sawed shingles, asphalt shingles, non-reflective metal, tile or any other material may be used subject to prior approval by the Architectural Review Board. No mechanical electronics, heaters, air conditioning units, and etc. shall be allowed to protrude above any roof line.

Section 12. FENCES. All fences, visual screens, and similar exterior structures shall be constructed of wood or vinyl, with the exception of hardware, fasteners and footings, and shall require Architectural Review Board approval. Wire mesh for pet security may be added to inside of fences which have been approved by the Architectural Review Board.

Section 13. EXTERIOR LIGHTING. The light source of any exterior lighting fixtures shall be shielded from view from any other properties, and all reasonable efforts shall be made to minimize the harshness or glare of any lighting.

Section 14. ANTENNAS. Antennas and similar devices shall be installed in a manner and location minimizing visibility from roads and adjoining Lots. No such antennas or devices shall be installed without prior approval of the Architectural Review Board.

Section 15. UTILITIES. All power, gas, telephone and other service lines shall be located underground. All meters and service access devices shall be located in accordance with ARTICLE III, Section 7.

Section 16. HEIGHT LIMIT. No structure or part thereof shall exceed a height of thirty-five (35) feet.

Section 17. BUILDING LOCATION. Lot coverage, setbacks and building location shall comply with applicable provisions of the Hailey Zoning Ordinance.

Section 18. MINIMUM SQUARE FOOTAGE. No residence on Lots within the Limited Residential (LR-1) zone less than 1500 square feet will be allowed within the Subdivision, at least 1000 square feet of which shall be on the ground floor. Basements, porches, decks, patios and garages shall not be included in the calculation of minimum square footages.

Section 19. DRIVEWAYS. All driveway approaches shall be in conformance with adopted specifications of the City of Hailey, and shall be constructed of asphalt, concrete and/or brick pavers, unless another all weather surface is approved by the Architectural Review Board.

Section 20. EASEMENTS. Easements for installation and maintenance of roads, utilities, drainage channels and irrigation ditches and facilities are reserved as shown on the recorded plat. 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 roads and utilities, or which may impede or alter flows in drainage channels, or which may obstruct or retard the flow of water through irrigation ditches and facilities. The easement area of each Lot, and all improvements therein, shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

Section 21. NUISANCES. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the neighborhood.

Section 22. OIL AND MINING OPERATIONS. No oil or gas drilling, quarrying or mining operations of any kind shall be permitted upon or under any Lot.

Section 23. GARBAGE AND REFUSE DISPOSAL. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 24. WATER SUPPLY. No individual well or water supply system shall be

permitted on any Lot, except for irrigation purposes.

Section 25. SEWAGE DISPOSAL. No individual sewage-disposal system shall be permitted on any Lot.

Section 26. SLOPE CONTROL AREAS. No structure, planting or other material shall be placed or permitted to remain, or excavations or other activities undertaken, which may damage or interfere with established slopes, creating erosion or sliding problems, or which may change the direction of flow of water through drainage channels. The stability of all sloped areas of each shall be maintained by the owner of the Lot, with the exception of those areas for which a public authority or utility company has responsibility.

Section 27. SIGHT DISTANCE AT INTERSECTIONS. No fence, wall, tree or landscaping shall obstruct sight lines at elevations between 2 and 6 feet above the roadways on any corner Lot within a triangular area created by drawing imaginary lines between three points; the first point being the intersection of the two roads adjoining the corner lot (measured at the edge of the road right-of-way nearest the Lot in question); the second and third points being 25 feet from the first point measured, respectively, along the right-of-way of each intersecting road at the edge of the right-of-way nearest the Lot in question.

ARTICLE IV ARCHITECTURAL CONTROL

Section 1. ARCHITECTURAL REVIEW AND APPROVAL. No improvement or structure of any kind, including, without limitation, any building, garage, fence, wall, swimming pool, tennis court, covered enclosure, or driveway, shall be constructed, installed, placed or maintained upon any Lot, nor shall any exterior addition, modification or alteration thereof be made, until the plans and specifications for the same have been submitted to, and approved in writing by, the Architectural Review Board (hereinafter "ARB"). All plans and specifications shall be evaluated as to compliance with this Declaration and harmony of the external design and location in relation to surrounding structures, topography, and neighborhood design characteristics.

Section 2. ARCHITECTURAL REVIEW BOARD. The ARB shall consist of three (3) members. Until 70% of the lots within the Subdivision have been sold by the Declarant, or its successors, the members of the ARB shall be appointed by and serve at the pleasure of, the Declarant. Upon the sale of said 70% of the Lots, Lot Owners shall elect three members to the ARB to replace the previously appointed members. Said election shall be conducted at a meeting of the Lot Owners to be held in Hailey, written notice for which shall be mailed to the last known mailing address of each Lot Owner at least fourteen (14) days preceding the date of the meeting. Members of the ARB shall be elected by a majority vote of the Lot Owners attending the meeting, each Owner (including the Declarant if it then owns any Lots) shall be entitled to one vote for each Lot owned. Thereafter, vacancies on the ARB shall be filled by a majority vote of the remaining members of the ARB. Any member of the ARB may be removed by petition calling for such removal and signed by greater than fifty percent (50%) of the Lot Owners of record at the time such petition is signed. A majority of the ARB shall constitute a quorum to transact business at any meeting of the ARB, and the action of a majority present at a meeting at which a quorum is present

shall constitute the action of the ARB.

Section 3. POWERS AND DUTIES OF THE ARB. The ARB shall have the following powers and duties:

A. To require submission to the ARB of two complete sets of plans and specifications for any improvement or structure, the construction, installation, or placement of which is proposed upon any Lot in the Subdivision and any additions, modifications, or alterations proposed for the exterior of such improvements or structures. The ARB may also require submission of samples of building materials purposed for any such construction project and may require such additional information as is reasonably necessary to evaluate the proposed work.

B. To approve or disapprove any improvement or structure or any proposed additions, modifications, or alterations to the exterior thereof. All decisions of the ARB shall be submitted in writing to the applicant and signed by all members of the ARB participating in such decision. In the event that the ARB fails to approve or disapprove any plans and specifications requested, design, location, or other construction, within twenty-one (21) days after the same have been submitted to it, approval of the ARB shall conclusively be deemed given.

ARTICLE V THE ASSOCIATION

Section 1. MEMBERSHIP. Every Owner of a Lot shall be entitled and required to be a member of the Northridge IX Homeowners Association ("Association"), a non-profit Idaho corporation which shall be incorporated by the Declarant. If title to a Lot is held by more than one person, the membership related to that Lot shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Lot is held. A Member shall be entitled to one membership for each Lot owned by him. No person or entity other than an Owner of a Lot may be a member of the Association, and the Articles of Incorporation or Bylaws of the Association shall so state, and shall state in addition that the membership in the Association may not be transferred except in connection with the transfer of the Lot to which it is appurtenant.

Section 2. VOTING RIGHTS. Each membership shall be entitled to cast one vote in all elections or other actions in which the members are required or permitted to vote pursuant to the Articles of Incorporation and Bylaws of the Association.

Section 3. CUMULATIVE VOTING. In any election of the members of the Board of Directors of the Association, each membership shall have the right to cumulate votes and give one candidate, or divide among any number of candidates, one vote multiplied by the number of directors to then be elected. The candidates receiving the highest number of votes, up to the number of board members to be elected, shall be deemed elected. Any director may be removed from office by a vote of the majority of the memberships entitled to vote.

Section 4. AMPLIFICATION. The provisions of this article are amplified by the Articles

of Incorporation of the Association and by the Bylaws of the Association; provided, however, that no present or future provision of such Articles of Incorporation or Bylaws shall substantially alter or amend any of the rights, duties, or obligations of the Owners set forth herein.

Section 5. **PURPOSES AND POWERS.** The purposes and powers of the Association is to carry out, for the benefit of the Lots and their respective Owners, all duties herein imposed upon it, and to participate in such other activities, by contract, ownership or otherwise, as the Board of Directors of the Association determines to be in the best common interests of the Lots or Owners, including participation in the ownership and/or maintenance of any private rights-of-way, roads, landscaped areas, aesthetic features or common areas now or hereafter serving the common benefit of Lots within the Subdivision, regardless of whether the same are located within or without the boundaries of the Subdivision. Without limiting the foregoing, the Association shall acquire from the Declarant, at no cost, fee simple title to Tracts A, B and C, Northridge IX Subdivision, which the Association shall thereafter maintain in good condition and repair, as common area for the benefit of the Subdivision, and all Lots and Owners situated therein.

Section 6. **RULES AND REGULATIONS.** The Association may make reasonable rules and regulations governing the use of any or all of its real or personal property and the improvements situated thereon, and to those which are consistent with the single family residential uses of the remainder of the property situated within the Subdivision. Further, said rules and regulations shall be intended to preclude any claim of Ownership.

Section 7. **MISCELLANEOUS SERVICES.** The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association may determine to be necessary or desirable for the proper operation of its property, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of its properties and the conduct of its business.

Section 8. **IMPLIED RIGHTS.** The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 9. **AGREEMENT TO PAY ASSESSMENTS.** Declarant, for each Lot owned by it within the Subdivision, hereby covenants, and each Owner hereafter acquiring a Lot in said Subdivision by the acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other, and with the Association, to pay to the Association periodic and special assessments to defray all costs and expenses incurred by the Association in fulfilling its duties, purposes and powers set forth hereinabove. Such assessment shall be fixed, established and collected from time to time in the manner provided in this article.

Section 10. **AMOUNT OF TOTAL PERIOD ASSESSMENTS.** The total periodic assessments against all Members shall be based upon advanced estimates of cash requirements by the Association to provide for the payment of all its estimated expenses; including, without

limitation, taxes and special assessments levied or to be levied against the real and personal property owned, maintained or operated by or on behalf of the Association; premiums for all insurance which the Association, in the exercise of reasonable business practices; expenses of management in the conduct of the Association's business, including expenses reasonably incurred for accounting and legal services; and the creation of a reasonable contingency reserve, surplus and/or sinking fund.

Section 11. APPORTIONMENT OF PERIODIC ASSESSMENTS. Total periodic assessments for each calendar year shall be estimated by the Association no later than December 1 of the preceding year, and notice thereof shall be provided to the Members, in writing, on or before December 31 of said preceding year. Said notice shall also indicate the amount of the periodic assessment levied on each Member and the Lot to which said membership is appurtenant, which amount shall be equal to the total periodic assessment divided by the total number of Members. The amount levied against each Member shall be payable in the manner and times determined by the Association. Each period assessment shall bear interest at the rate of 10% per annum from the date it becomes due and payable if not paid within 30 days after such date. Failure of the Association to give timely notice of any periodic assessment as provided herein shall not affect the liability of the Member for such assessment, but the date when payment shall become due and payable in such case shall be deferred to a date not less than 30 days after such notice has been duly given.

Section 12. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized by this article, the Association may levy at any time a special assessment, payable as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any unexpected repair or replacement of any improvement for which the Association is obligated, or for any other expense incurred or to be incurred by the Association as permitted or required by this Declaration. This section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for unplanned or unexpected expenses authorized by other sections hereof. Any amounts assessed pursuant hereto shall be assessed to Members and their Lots in the same proportion as periodic assessments. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Members, and no payment shall be due less than 30 days after such notice shall have been given. A special assessment shall bear interest at the rate of 10% per annum from the date it becomes due and payable if not paid within 30 days after such date.

Section 13. LIEN FOR ASSESSMENTS. All sums assessed to any Member pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on the Lot to which said membership is appurtenant, in favor of the Association created and perfected by the recordation of a Notice of Assessment as herein provided. Such lien shall be superior to all other liens and encumbrances with the exception of: (a) valid tax and special assessment liens on the Lot in favor of any governmental entity; (b) any liens, including mortgages or deeds of trust, duly executed and recorded in Blaine County, Idaho, prior to the recordation of the Association's Notice of Assessment, including all future sums advanced pursuant to said prior liens in accordance with their written terms and conditions; and (c) labor or materialman's liens, to the extent their superior

priority is provided for by applicable laws of the State of Idaho.

To create a lien for sums assessed pursuant to this Article, the Association shall prepare and duly record a written Notice of Assessment setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the record Owner of the Lot and a legal description of the Lot. Such notice shall be signed by an officer of the Association and be recorded in the office of the county recorder of Blaine County, Idaho. No notice of assessment shall be recorded until there has occurred a delinquency of not less than 90 days in payment of the assessment and notice of intent to record has been mailed to the Owner at his last known mailing address. Such liens may be enforced by sale by the Association after failure of the Owner to pay the delinquent assessment in accordance with its terms, such sale to be conducted in the manner permitted by Idaho law for the exercise of power of sale and deeds of trust or in any other manner permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of assessment and all reasonable attorney's fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessment duly levied against the Lot which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use, or otherwise deal with the same as the Owner thereof in the event it acquires the Lot at sale.

A further notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded in the official records of Blaine County, Idaho, upon payment of all sums secured by said lien.

Any encumbrancer holding a lien on a Lot may pay, but shall not be required to pay, any amounts secured by the lien created by this section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

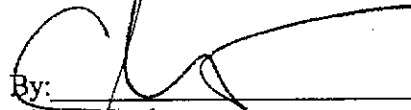
Unless sooner satisfied and released, or the enforcement thereof initiated as provided hereinabove, any lien created pursuant to this section shall expire and be of no further force or effect one year from the date of recordation of said Notice of Assessment; provided, however, that said one year period may be extended by the Association for not to exceed one additional year by a written extension signed by the Association and recorded in the office of the county recorder of Blaine County, Idaho, prior to the expiration of said first one-year period.

14. **PERSONAL OBLIGATION OF THE OWNER.** The amount of any periodic or special assessment against any Member shall be a personal obligation to the Association. Suit to recover a money judgment for such personal obligation may be maintained by the Association without foreclosing the lien securing the same. Further, a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid assessments against the seller and his Lot outstanding at the time said purchaser acquires title to the Lot, without prejudice to purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

15. **MERGER.** Upon the affirmative vote of a majority of the members of the Board of Directors, the Association may be merged with one or more other homeowner association

DATED this 3 day of AUGUST, 2004

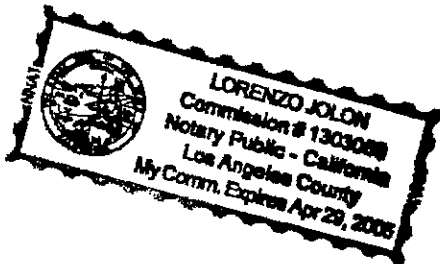
HAILEY II, L.L.C., a ^{IDAHO}~~California~~ Limited Liability Company


By: 
Mark Caplow
Its: Managing Member

STATE OF CALIFORNIA)
County of Los Angeles)ss.

On this 3rd day of August, 2004, before me, a Notary Public for said County and State, personally appeared Mark Caplow, known or identified to me, to be one of the members in the limited liability company of Hailey II, L.L.C., and the member or one of the members who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he executed the same in said limited liability company name.

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 CALIFORNIA
Residing at: Los Angeles
My commission expires: Apr. 29, 2005

docs\rlhw\jer\northri IX

DATED this ____ day of _____, 2004

HAILEY II, L.L.C., an Idaho Limited Liability Company

By: _____
Mark Caplow
Its: Managing Member

STATE OF CALIFORNIA)
)ss.
County of _____)

On this ____ day of _____, 2004, before me, a Notary Public for said County and State, personally appeared Mark Caplow, known or identified to me, to be one of the members in the limited liability company of Hailey II, L.L.C., and the member or one of the members who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he executed the same in said limited liability company name.

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 CALIFORNIA
Residing at: _____
My commission expires: _____

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