

**DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS**

**for**

**SCHOMBURG PLACE**

THIS DECLARATION, is made on the date hereinafter set forth by AUDROC INC., an IDAHO Corporation, registered in the state of Idaho, hereinafter referred to as “Declarant”.

**WITNESSETH:**

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

Schomburg Place Subdivision, a portion of the Southwest 1\4 of the southwest 1\4, of section 20, township 3 north, range 2 west , B.M., Canyon County, Idaho according to the official plat thereof recorded as Instrument No.\_\_\_\_\_.

NOW, THEREFORE, Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability thereof, and which shall run with the property and be binding upon all parties having any right, title or interest in the described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

No provision of this Declaration shall be construed as to prevent or limit Declarant’s right to complete development of this property and to construct improvements thereon, nor Declarant’s right to maintain model homes, construction, sales or leasing offices or similar facilities upon any portion of the property, nor Declarant’s right to post signs incidental to construction, sales or leasing.

ARTICLE I

Definitions

Section 1. “Association” shall mean and refer to SCHOMBURG PLACE HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

1.1 Incorporation by Reference: Any and all Provisions contained in the Articles of Incorporation and By-Laws of SCHOMBURG PLACE Homeowners Association, Inc., as amended from time to time, are incorporated herein and made a part hereof.

To the extent any provisions of the Conditions, Covenants and Restrictions for SCHOMBURG PLACE Subdivision conflict, modify or amend any provisions of the above-referenced Articles of Incorporation or By-Laws incorporated herein, the provisions of this instrument shall control.

Section 2. **“Owner”** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is part of the property, including contract buyers, but excluding those having such interest merely as security for performance of an obligation.

Section 3. **“Property”** shall mean and refer to the real property hereinabove described and such additions thereto as many hereafter be brought within the jurisdiction of the Association.

Section 4. **“Common Area”** shall mean all real property (including the improvements thereto) including the retention ponds and private well lot, if any, owned by the Association for the common use and enjoyment of the Owners. It shall also include any private water system and non-potable irrigation system for the subdivision and public right-of-way and the entrances to the subdivision.

Section 5. **“Lot” or “Lots”** shall mean and refer to any building lot.

Section 6. **“Declarant”** shall mean and refer to AUDROC, INC, its successors and or assigns if such successors or assigns should acquire more than one undeveloped Lot from the declarant for the purpose of development.

Section 7. **“Board”** shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

## **ARTICLE II**

### **General Conditions, Covenants and Restrictions**

Section 1. Land Use and Building Type Size:  
All lots shall be used for single family residential purposed only and no lot or Common Area shall be used for the conduct of any trade or business or professional activity. Notwithstanding the

Foregoing, garage sales are allowed but are limited in length to 7 days and no more than two sales in any calendar year.

No improvements shall be erected, altered, placed or permitted to remain on any lot other than one designed to accommodate no more than one single family residential dwelling. All improvements shall be well constructed of good quality materials and workmanship. The floor area of a one-story residence shall not be less than 1800 square feet. However, where there are continuous roof lines, covered entrances or porch areas, breezeways or patios, 25% of the floor area of such covered areas may be included, at the discretion of the Architectural Control Committee, in determining the ground floor area of the home. For the purpose of these Covenants, eaves, steps and open porches shall not be considered as part of a building; provide, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot.

Two story residences shall have not less than 2200 square feet, exclusive of covered porches, entrances or patios, and must have a minimum of 1600 square feet on the ground floor. No split-entry homes, manufactured, moved or pre-built homes shall be allowed in the Subdivision. No residence shall be in excess of two stories above ground.

**Section 2. Approval of Plans:** No building, fence, wall, structure or improvement shall be placed or permitted to remain upon any part of said property unless and until the building plans and specifications have been approved, in writing, by the Architectural Control Committee. The Owner or Owner's agent must submit the following for approval: (a) plot plan; (b) floor plan; (c) floor elevations; and (d) exterior materials, colors and specifications. The approval of the Architectural Control Committee shall not be unreasonably withheld if the said plans and specifications are for improvements which are similar in general design and quality to, and generally in harmony with, the dwellings then located on said property and comply with the provisions of these Covenants.

**Section 3. Secondary Buildings:** A maximum of one "storage" building on a Lot is allowed, with a combined area of not more than 300 square feet. All secondary buildings must be approved by the Architectural Control Committee to insure compatibility of design and appearance.

**Section 4. Garages:** All area requirements shall be exclusive of the garage area. All residences shall have an enclosed garage which holds no less than 2 standard size cars and no more than 4 standard size cars.

**Section 5. Off- street Parking and Driveways:** All Lots Shall be provided with driveway and a minimum of three off-street automobile parking spaces within the boundaries of each lot. A concrete apron/driveway the width of the garage is extending 24 feet from the front of the garage is required. All driveways accessing the main road must be paved or concrete between the point of connection with the road and the required 24 foot apron/driveway and are to be completed within six months of home completion.

**Section 6. Exterior Appearance:** Each residence shall have a minimum of 25% of brick or stone on the front exposure, or another architectural detail approved by the Architectural Control Committee. Twenty five (25) year or better black architectural composition roofing is allowed. Any other roofing material must be approved by the Architectural Control Committee.

**Section 7. Colors:** Exterior colors of earth tones shall be encouraged for the body of the house. Bright or bold body colors shall be discouraged. Approval of exterior colors must be obtained from the Architectural Control Committee.

**Section 8. Mail Boxes.** All mail boxes to be installed by the developer.

**Section 9. Landscaping:** Landscape designs must be approved by the Architectural Control Committee. A minimum of one (2) street trees with a minimum height of six (6) feet and minimum caliper of 1.5" is required on every lot, with spacing not to exceed 100 feet, and five 2 gallon shrubs on the street side. The location of the trees must be approved by the Architectural Control Committee. Landscaping must be completed within six months after occupancy. The street side landscaping must include an underground sprinkler system. Berms and sculptured planting areas are encouraged. In the event of undue hardship due to weather conditions, this Provision may be extended for a reasonable length of time upon written approval of the Architectural Control Committee. All areas must be kept reasonably free of weeds and be kept well groomed at all times. All lots are required to have sod and sprinklers upon certificate of occupancy. Weather permitting.

**Section 10. Fences:** Fences are not required, unless mandated by law along canals. If a fence is desired, plans for it must be approved by the Architectural Control Committee prior to construction. Fences shall be of good quality and workmanship and shall be properly finished and maintained. Fences on perimeter boundaries shall be of Vinyl. Privacy and screening fences on interior areas may be built of vinyl. Chain link fences are not allowed except along common areas and/or ditches. No fence shall be higher than six (6) feet.

Privacy fences shall not be built closer to the front lot line of any lot than five (5) feet behind the front corner of the house on either side and closer than twenty (20) feet from any side street right-of-way without the express approval of the Architectural Control Committee.

The location of fences, hedges, high plantings, obstructions or barriers shall be so situated as not to unreasonably interfere with the enjoyment and use of neighboring properties and streets and shall not be allowed to constitute an undesirable, nuisance, or noxious use. The determination of the Architectural Control Committee shall be binding on all parties as to whether an undesirable, nuisance, or noxious use exists.

See “Vehicle Storage” (Section 11) as it pertains to fencing and the amount of setback required if the vehicle height extends above the fence.

**Section 11. Boats, Campers and other Vehicles:** No boats, trailers, tractors, recreational vehicles, (i.e., any trailers, campers, motor homes, automobile campers or similar vehicles or equipment) dilapidated, unrepaired or unsightly vehicles, or similar equipment, motorcycles, snowmobiles, trucks (working or non working) greater than ¾ ton in size shall regularly or as a matter of practice be parked or stored on any portion of the property (including streets and driveways) unless enclosed by a structure or screened from view in a manner approved, in writing, by Architectural Control Committee. Notwithstanding the foregoing, any boat, camper, trailer or recreational vehicle which is in good repair and working order may be stored on the side yard of a Lot between the front and rear of the residence if screened by a 6 foot fence and that the parking area be located on the same side of the residence as the garage. Provided, however, such storage may not be located adjacent to the street on a corner lot. In addition, any boat, camper, trailer or recreational vehicle may be stored next to a secondary building.

Any RV parking area and driveway to the parking area shall be surfaced with concrete, asphalt, or such material as approved by the Architectural Control Committee.

**Section 12. Animals:** Keeping or raising of farm animals or poultry is prohibited. Provided, however, up to two horses may be kept on each lot so long as they are not maintained for commercial or breeding purposes. All horses and all dogs and cats or household pets kept on the properties shall be fed and adequately cared for and shall be adequately controlled so as not to annoy or trespass upon the property of others. Dogs shall not be allowed to run at large.

**Section 13. Antennae and Satellite Dishes:** Installation of radio and/or television antennas over 12 inches in height, or satellite dishes larger than 30 inches in diameter, are prohibited outside or a building without written consent from the Architectural Control Committee. Provided further, satellite dishes of 30 inches or less in diameter shall be located, if reasonably possible, so as not to be visible from the street in front of the house,

**Section 14. Setbacks:** No residence or other building shall be located on any Lot nearer than thirty (20) feet from the front line and thirty (15) feet from the rear line, nor nearer than fifteen (5) feet on the side lot lines. No secondary building shall be located on any Lot nearer than thirty (30) feet from the front line and twenty (20) feet from the rear line, nor nearer than ten (10) feet from the side lot lines.

**Section 15. Construction Time:** Construction of any residence or other building in the Subdivision shall be diligently pursued after commencement thereof and must be completed within twelve (12) months. If a residence or other structure is damaged, it must be repaired or rebuilt to the standards set forth herein within 12 months. Lots and buildings shall be kept reasonably clean and in workmanlike order during construction.

If a Lot Owner does not begin construction, the Owner is required to maintain the Lot at the Owner's expense. This includes keeping grass cut, removal of debris, garbage or any other unsightly elements as determined appropriate by the Architectural Control Committee.

No animals are allowed on the property prior to a residence being completed.

**Section 16. Moved or Temporary Structures:** No building shall be moved onto any lot except outbuildings approved by the Architectural Committee. No temporary structures are allowed.

**Section 17. Type of Residence:** No shack, tent, trailer house, or basement only house shall be used on any lot within the subdivision for living quarters, permanent or temporary.

**Section 18. Offensive Items/Discharge of Firearms:** No offensive, dangerous, odorous, noxious, or noisy endeavor shall be conducted or carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the other property owners. Weeds shall be cut to less than four(4) inches. If not so maintained, the Association may cut the weeds after ten (10) days' written notice to the Lot owner. The reasonable cost thereof shall be paid by the Owner and shall be a continuing lien upon the Lot until paid.

Discharge of firearms, including pellet and BB guns is not permitted.

**Section 19. Irrigation Water:** This subdivision is in the Nampa-Meridian Irrigation District. Assessments of Nampa-Meridian Irrigation District for the

Common Areas shall be paid by the SCHOMBURG PLACE Subdivision Homeowners Association, Inc. and ownership of said water rights shall be in the name of the Association.

**Section 20. Water for Lawn and Yard Sprinkling:** The water source for sprinkling of lawns and other outside areas will be irrigation water which will be provided to each Lot. The irrigation system shall be under the ownership and control of the Nampa-Meridian Irrigation District.

**Section 21. Nampa Highway District No. 1 Maintenance:** Nampa Highway District No. 1 (“NHD”) has entered into a License to use NHD roadways for storm drain facilities and pressurized irrigation (collectively referred to as the “Facilities”). Notwithstanding that the Association is obligated to maintain the facilities, it is hereby provided that NHD may elect to maintain any part of the Facilities should the Association fail to do so. In the event that NHD determines that the Association is not adequately maintaining the Facilities, NHD shall, before undertaking maintenance of the Facilities, provide written notice of its intention to begin maintenance of the Facilities within a forty-five (45) day period, within which time frame the Association may undertake to initiate and conclude all maintenance defects as identified by NHD. In the event the Association shall fail to commence and conclude maintenance of the Facilities to the extent such items of specific maintenance are identified by NHD within the prescribed forty-five (45) days, then in such event, NHD may begin to undertake maintenance of the same.

Provided, however, if NHD determines that an emergency exists, NHD may immediately commence maintenance activities at the expense of the Association. The Association shall reimburse all NHD maintenance costs related to the Facilities within thirty (30) days of the invoice date.

If the Association fails to maintain the Facilities, NHD is hereby granted a license to enter upon any portion of the Property to perform necessary inspection and maintenance. Should NHD engage in maintenance of the Facilities after NHD determines an emergency exists or after having provided notice to the Association and having provided the Association an opportunity to undertake such maintenance, NHD shall be entitled to and empowered to file a Ratable lien in accordance with the provisions of Article VII of this Declaration against Lots in SCHOMBURG PLACE Subdivision with power of sale to secure payment of the costs in connection with such maintenance. This section shall not be amended without prior written approval from NHD.

**Section 22. Interior Sprinklers:** Not required

**Section 23. Signs:** No sign of any kind shall be displayed to public view on any building or lot except not more than one “For Sale” sign by the Owner, Declarant of licensed real estate agent, of not more than eight (8) square feet may be temporarily displayed on any lot. Notwithstanding any provision to the contrary, signs of any and all sizes and dimension may be displayed by the Declarant, without limitation thereto, on Lots owned by said Declarant. The Declarant or the Association may display a sign of any size and dimension for subdivision identification.

**Section 24. Waste Disposal:** No Lot or building site included within this subdivision shall be used or maintained as a dumping ground for waste materials. Incinerators are not permitted. Receptacles for storage trash, garbage, ect., shall be maintained in a sanitary and clean condition, and out of public view.

Section 25. Construction Equipment and Material: No machinery, building equipment or material shall be stored upon any Lot until the builder is ready and able to immediately commence property lines of the Lot upon which the structure is to be erected.

Section 26. Damage Improvements: It shall be the responsibility of the builder of any residence in this Subdivision to leave streets, curbs, sidewalks, fences, tiled irrigation lines, if any, and utility facilities free of damage and in good and sound condition at the conclusion of the construction period. It shall be conclusively presumed that all such improvements are in good sound condition at the time building is begun on each Lot unless the contrary is shown in writing at the date of conveyance or by date of possession, whichever date shall first occur, which notice is addressed to the Architectural Control Committee.

### ARTICLE III

#### Architectural Control

**Architectural Control Committee:** The Architectural Control Committee shall, prior to any construction, be furnished with the plans and specifications as herein provided. The Architectural Control Committee shall be allowed fifteen (15) days to review said plans, drawings and specifications. No building shall be constructed on any Lot without prior consent of said Committee.

The Declarant shall be the Architectural Control Committee for a period of one year from the recording of this Declaration or until 75% of the Lots are no longer owned by Declarant, whichever later occurs. At that time, the Association's Board of Directors, or committee of not fewer than four (4) persons appointed by it, shall constitute the Architectural Control Committee. The members of the said Committee shall serve at the pleasure of the Board of Directors.

In the event there is not a SCHOMBURG PLACE Subdivision Homeowners Association for the Subdivision, it is the responsibility of the Home Owners to select among themselves an Architectural Control Committee.

The Architectural Control Committee's decision is final on all issues.

### ARTICLE IV

#### General Provisions

Section 1. Enforcement: Any Owner, or the Association, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, after ten (10) days written notice to the person(s) violating or attempting to violate said provisions. Failure by any Owner or the Association to enforce any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

**Section 3. Amendment:** This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than sixty-seven percent (67%) or the lot owners, or Approved in writing by sixty seven percent (67%) of the members of the Association computed under the provisions of Article VI, Section 2. Any amendment must be recorded by the Canyon County Recorder.

**Section 4. Time Extension for Covenants:** The Covenants set forth in this instrument shall run with the land and shall be binding upon all lot owners for a period of thirty (30) years from the date of the recording thereof, after which time such covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by sixty-seven percent (67%) of the Lot Owners of this Subdivision has been recorded agreeing to terminate these covenants, in whole or in part.

**Section 5. Voting:** Except as provided herein with regard to Class A and Class B membership in the Association, each Lot shall be entitled to one vote regardless of the number of owners.

## ARTICLE V

### Common Areas / Property Rights

**Section 1. Designation of Common Areas:** Lots \_\_\_\_\_ and \_\_\_\_\_ of Block \_\_\_\_\_ may be designated as Common Areas at some furniture date. At the present time, these Lots are owned by Declarant. Declarant may, in its sole and absolute discretion, transfer ownership to the Association. Should this occur, then, and in that event, said Lots shall become Common Areas and shall be the responsibility of the Association to maintain.

In addition to said Lots, the term "Common Area" as used herein shall include any private domestic water system for the Subdivision and the non-potable irrigation system for the Subdivision. It may include any landscaped portion of the public right-of-way at the entrances to the Subdivision.

**Section 2. Owner's Easement of Enjoyment:** Every Owner shall have the right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge assessments for the use and maintenance of the Common Area;
- (b) the right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for an infraction of its public rules and regulations;

**Section 3. Delegation of Use:** Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

## ARTICLE VI

### Membership and Voting Rights

**Section 1. Membership:** Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Every person or entity who is a record owner (including contract buyers) of a fee or undivided fee interest in any Lot located within said property shall, by virtue of such ownership, be a member of the Association. When more than one person holds such interest in any occupied Lot, all such persons shall be members. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. The Association shall maintain a membership list and may require written proof of any member's Lot ownership interest.

The financial reports, books, and records of the Association may be examined, at reasonable time, by any member of record.

**Section 2. Voting:** The Association shall have two classes of membership: Class A and Class B. Class A members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one persons holds an interest in any single Lot, all such persons shall be members. The vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any single Lot. Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

The vote applicable to any Lot being sold under a contract of sale shall be exercised by the contract buyer unless the contract expressly provided otherwise and the Association has been notified, in writing, of such provision. Voting by proxy shall be permitted.

**Section 3. Officers and Directors:** At an annual meeting called pursuant to notice as herein provided for the establishment of annual assessments, a Board of Directors of the Association shall be elected by ballot of those attending said Meeting or voting proxy. There shall be three (3) Directors elected. The first is to serve for a period of one year, the second for a period of two years, and the third for a period of three years. All other Directors shall be elected for a three-year period.

**Section 4. Common Area Matters:** The Association shall have the right to dedicate or transfer all of any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such condition or transfer shall be effective unless authorized by members entitled to cast two-third (2/3) of the majority of the votes at a special or general members meeting and an instrument signed by the Chairman and Secretary has been recorded in the appropriate County deed records, agreeing to such dedication or transfer, and unless written notice of proposed action is sent to every member not less than ten (10) days nor more than fifty (50) days prior to such dedication or transfer,

## ARTICLE VII

### Maintenance Assessments

**Section 1.** Creation of the Lien and Personal Obligation of **Assessments:** The Declarant and each Owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) and initial assessment of \_\_\_\_\_ Hundred Dollars (\$\_\_\_\_\_) for each Lot, payable by the owner at time the Lot is transferred by Declarant to the Owner; and (2) an annual assessment as established and collected as hereinafter provided. The annual assessment, together with interest, costs, and reasonable attorney's fees shall be charged against the land and shall be a continuing lien upon the Lot against which each assessment is made and shall be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless assumed by them.

**Section 2.** **Purpose of Assessments:** The assessment levied by the Association shall be used exclusively for the improvement maintenance and use of the Common Area and payment of other expenses of the Association.

**Section 3.** **Maximum Annual Assessment:** Until January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment shall be \_\_\_\_\_ Hundred Dollars (\$\_\_\_\_\_) per Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner the maximum assessment may be increased each year but not more than five percent (5%) above the maximum assessment for the previous year without a vote of membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds of each class of members who are voting in person or proxy at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum

**Section 4.** **Special Assessments for Capital Improvements:** In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part the cost of any construction, reconstruction, repair or replacement upon Common Area, including fixtures and personal property thereof. Provided, however, any such assessment shall have the assent of two-thirds (2/3) of the votes or each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

**Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4:** Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all members not less than 10 days nor more than 50 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum.

**Section 6. Uniform Rate of Assessment:** Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly or annual basis at the discretion of the Board.

**Section 7. Date of Commencement of Annual Assessments – Due Dates:** The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors.

The Association shall, upon demand, and for a reasonable charge, furnish a certificate by an officer of the Association setting forth whether the assessments on the specified Lots have been paid. A properly executed certificate of the Association as to the status of the assessments on a Lot is binding upon the Association as of the date of its issuance.

**Section 8. Effect of Nonpayment of Assessment – Remedies of the Association:** Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 18% per annum. The Association, or any Owner, may bring an action at law against the Owner personally obligated to pay the same, to foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

**Section 9. Subordination of the Lien to Mortgages:** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceedings in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from Liability for any assessments thereafter becoming due or from the lien thereof.

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

- (a) All properties expressly dedicated to and accepted by local Public authority;
- (b) Any local properties owned by the SCHOMBURG PLACE Subdivision Homeowners Association.
- (c) Lots owned by Declarant until they are sold or a home is built thereon.

## ARTICLE VIII

### Association Duties

**Section 1. Association Duties:** The SCHOMBURG PLACE Subdivision Homeowners' Association is authorized, but not limited, to performance of the following: preparation of an annual budget which shall indicate anticipated management, operating, maintenance, repair, and other common expenses for the Association's next fiscal year which shall be sufficient to pay all estimated expenses and outlays of the Association for the next

Calendar year growing out of or in connection with the maintenance and operation of Common Areas and improvements, and may include, among other things, the cost of maintenance, management, special assessments, fire, casualty, and public liability insurance, common lighting, landscaping and care of grounds, repairs and renovations, and painting to Common Areas, snow removal, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Association from a previous period, and the creation of any reasonable contingency or other reserve fund, as well as all costs and expenses relating to the Common Area and improvements.

The Association shall be responsible for the repairs, upkeep and maintenance, normal servicing, gardening, rules and regulations for use, care and safety, annual planting of flowers (if any), payment of bills and related expenses for the Common Area.

## ARTICLE IX

### Irrigation Warning

There is a non-potable irrigation system on each lot. This water is not suitable for human consumption. The non-potable risers and connections will be marked with Mr. Yuk faces. Please make all children aware of this danger. Every new Owner should satisfy himself that no cross-connections were made by the previous Owner and that all faucets and risers are still clearly marked.

