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 McCOLL LAW OFFICE, PLLC
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 BOISE, ID 83703

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
 PARK SPRINGS SUBDIVISION PHASE 1**

THIS DECLARATION is made as of the 15th day of May 2023, by 1099 LLC, an Idaho limited liability company (hereinafter the “**Declarant**”).

RECITALS

WHEREAS, Big Creek Builders, Inc., an Oregon corporation, recorded that certain plat of Park Springs Subdivision Phase 1 (the “**Phase 1 Plat**”) in the office of the Baker County Recorder on the 11th day of May 2022, a copy of which is attached hereto as **Exhibit A** and by this reference incorporated herein; and

WHEREAS, the Phase 1 Plat subdivided that certain real property in Baker City, Baker County, Oregon, as particularly described on the Surveyor’s Certificate set forth page 2 of the Phase 1 Plat; and

WHEREAS, Lots 1-4, inclusive, Park Springs Subdivision Phase 1, Baker City, Baker County, Oregon (collectively, the “**Subject Property**”), were platted for the construction of four attached single-family townhome residences; and the remaining Lot 5, Park Spring Subdivision Phase 1, Baker City, Baker County, Oregon is an undeveloped parcel that may be subsequently subdivided and platted into additional townhome lots (the “**Undeveloped Parcel**”); and

WHEREAS, Declarant acquired the Townhome Lots (defined below) from Big Creek Builders, Inc., and has subsequently constructed a building comprised of four individual Townhomes (defined below); and

WHEREAS, Declarant desires to impose upon the Subject Property certain protective covenants, conditions, restrictions, reservations, easements, liens and charges for the benefit of Subject Property, and all present and subsequent owners thereof, and all conveyances of Subject Property or any part thereof shall be subject to this Declaration;

NOW, THEREFORE, Declarant desires to impose, and hereby imposes upon the Subject Property, the following easements, conditions, covenants, restrictions and reservations which shall run with Subject Property and be binding upon all parties now or hereafter having any right, title or interest therein or to any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE 1: DEFINITIONS.

The following capitalized terms shall, as used in this Declaration, have the following meanings:

1.1 "*Annexed Property*" shall mean and refer to any portion of the Undeveloped Parcel made subject to this *Declaration* by *Supplemental Declaration* pursuant to the provisions hereof for the annexation of additional parcels of real property.

1.2 "*Assessment*" shall mean a payment required of *Association* members, including *Regular and Special Assessments* as provided in this *Declaration*.

1.3 "*Association*" shall mean and refer to Park Springs Townhome Association, Inc., a nonprofit corporation organized under the laws of the State of Oregon, its successors and assigns.

1.4 "*Association Rules*" shall mean such rules promulgated by the *Declarant* and/or the *Association* pursuant to **Section 7.4 (e)**.

1.5 "*Board*" shall mean the duly elected and qualified Board of Directors of the *Association*.

1.6 "*Declarant*" shall mean the undersigned owner of the *Subject Property* at the time of the recordation of this *Declaration*, including any successor to the *Declarant*, who succeeds to the ownership of substantially all of *Declarant*'s interest in the *Subject Property* or such additional real property hereinafter made subject to this *Declaration* by *Supplemental Declaration* annexed as additional parcels of real property.

1.7 "*Declaration*" shall mean this *Declaration*, as it may be amended or supplemented from time to time.

1.8 "*Member*" shall mean any person who is an *Owner* of a *Townhome Lot*.

1.9 "*Mortgage*" shall mean any mortgage, deed of trust, land sale contract or other security instrument by which a *Townhome Lot* is encumbered.

1.10 "*Mortgagee*" shall mean any person or the successor to any person named as the mortgagee, beneficiary, seller or creditor under a *Mortgage*.

1.11 "*Occupant*" shall mean any person, who is an *Owner*, or has leased, rented, been licensed, or is otherwise legally entitled to occupy and use any *Townhome*, including their heirs, personal representatives, successors and assigns.

1.12 "*Owner*" shall mean and refer to the record owner of fee simple title to any *Townhome Lot*, excluding those record owners having title merely for security for the performance of an obligation.

1.13 "*Party Walls*" shall mean a common wall between *Townhomes* for any two *Townhomes* in a *Townhome Building*.

1.14 "*Plat*" shall mean and refer to those certain plats of phases of Park Springs Subdivision, recorded or to be recorded in the Baker County Recorder's office, including the *Phase 1 Plat*.

1.15 "*Property*" shall mean the property defined as *Subject Property* in the recitals above, and shall further mean and refer to such additional real property as may hereafter be made subject to this *Declaration* by *Supplemental Declaration* pursuant to the provisions hereof for annexation of additional parcels of real property.

1.16 "*Regular Assessment*" shall mean an *Assessment* levied by the *Association* to provide funds to pay the ordinary estimated expenses of the *Association*.

1.17 "*Special Assessment*" shall mean an *Assessment* levied by the *Association* other than a *Regular Assessment*.

1.18 "*Subdivision*" shall mean Park Springs Subdivision Phase 1 and any future phases of Park Springs Subdivision.

1.19 "*Supplemental Declaration*" shall mean an amendment to this *Declaration* in which additional property shall, for the purposes of this Agreement, be made subject to this *Declaration* all in accordance with **ARTICLE 10** herein.

1.20 "*Townhomes*" shall mean any single *Townhome* that is a part of a *Townhome Building*.

1.21 "*Townhome Building*" shall mean a single structure that is composed of one or more *Townhomes*.

1.22 "*Townhome Lots*" shall mean and refer to *Townhome Lots* 1, 2, 3 and 4 as shown on the *Phase 1 Plat*, and any other lots that may be platted in subsequent phases of the *Subdivision*. Until such time as Lot 5, Park Springs Subdivision Phase 1 becomes *Annexed Property*, the *Subject Property* shall be limited to said Lots 1-4, Park Springs Subdivision Phase 1.

1.23 "*Transition Date*" shall mean the latter of the date the *Declarant* certifies in writing to the *Association* that no additional real property shall be made subject to this *Declaration*, or the date when the *Declarant* owns five percent (5%) or less of all of the *Townhome Lots*, which are part of the *Subject Property* and any additional property annexed thereto.

ARTICLE 2: PURPOSE.

2.1 The Subject Property is hereby made subject to the covenants and restrictions contained in this Declaration, all of which shall be deemed to be imposed upon and run with the land and each and every Townhome Lot, and shall apply to each and every Owner and Occupant thereof

and their respective successors in interest, to insure proper use and maintenance of the Subject Property for the purpose of:

- (a) Encouraging and ensuring attractive buildings appropriately located within the Phase 1 Plat and subsequent phase plats, if any, resulting in harmonious appearance and function.
- (b) Securing and maintaining proper setbacks from streets and open areas within the Subject Property.
- (c) Insuring the maintenance of the Townhome Buildings' exteriors.

ARTICLE 3: PROPERTY USE RESTRICTIONS.

The following restrictions shall be applicable to Subject Property and shall be for the benefit of and limitation upon all present and future Owners of Townhome Lots, or any interest therein, and the Association, which is hereby empowered, in addition to each Owner, to enforce the same:

3.1 Use. Each Townhome Lot shall be used only for residential purposes. As used herein "residential" shall mean the use of the Townhome Lot for living accommodations for not more than two (2) unrelated persons, excluding guests of the principal occupants, which guests may reside therein on a temporary basis. "Residential" is not intended, nor shall the same be construed to include the use of the Townhome Lot for the home for persons unrelated to each other or unrelated to the Owner or Occupant.

3.2 Easements. The Townhome Lots, or some of them as the case may be, are hereby burdened with easements and related restrictions that are designated on the Phase 1 Plat, or set forth in the Phase 1 Plat notes and/or set forth in this section of the Declaration. Any easements designated on the Phase 1 Plat shall be deemed to be expressly dedicated, reserved or granted easements.

3.3 Pets. No animals, birds, insect or poultry of any kind shall be raised, bred, or kept on any Townhome Lot, except that no more than two (2) domesticated dogs and/or cats or other small household pets which do not unreasonably bother or constitute a nuisance to others may be kept, provided that they are not kept, bred or maintained for any commercial purpose. Dogs and other similar pets shall be on a leash when not confined to an Owner's Townhome Lot.

3.4 Trash. All garbage, refuse and animal waste shall be properly and promptly cleaned and stored and appropriately removed from each Townhome Lot so as to prevent unsightliness, or unnecessary or unreasonable odors.

3.5 Equipment and Vehicles.

(a) No motor homes, trailers, boats, campers, recreational vehicles, and other mobile equipment, trailers, implements, and vehicles (excluding automobiles) of all kinds or nature

shall be parked or stored on any Townhome Lot. No vehicle should be parked or stored for a period in excess of seventy-two (72) consecutive hours on any public street or on any portion of a Townhome Lot, including driveway aprons. Each Townhome includes an attached garage that is sufficient in size to park one (1) automobile or other vehicle. The primary purpose of the garage of each Townhome Lot is for the parking and storage of an automobile or other vehicle. No commercial vehicle, trucks with a capacity in excess of one (1) ton, shall be parked or stored upon any Townhome Lot or street within the subdivision.

(b) No motor vehicle, truck camper, tent, garage, shed or other outbuilding or vehicle shall at any time be used as a residence or living place on any part of Subject Property.

(c) The use of all vehicles, including but not limited to automobiles, trucks, bicycles and motorcycles, shall be subject to Association Rules, which may prohibit or limit the use thereof within the Townhome Lots, provide parking regulations and other rules regulating the same.

3.6 Commercial Use Prohibited. No Townhome Lot shall be used at any time for commercial or business activity; provided, however, that the Declarant or other persons authorized by the Declarant may use Townhome Lot(s) for development and sales activities related to the Subject Property.

3.7 Leases Permitted. Any Owner shall be permitted to rent the Owner's Townhome Lot and Improvements thereon for residential purposes, provided the use is limited to **Section 3.1** herein and otherwise in compliance with this Declaration. Any lease allowing occupancy or residence of any Townhome Lot shall be subject in all respects to this Declaration.

3.8 No Offensive Use. No noxious, offensive or unsightly conditions, as determined by the Association, shall be permitted upon any part of any Townhome Lot, nor shall anything be done thereon which may be or become an annoyance or a nuisance to the neighborhood.

ARTICLE 4. BUILDING RESTRICTIONS.

4.1 Antennae. No exterior radio antennae, television antennae or other antennae, including a satellite dish, shall be erected or maintained on a Townhome Lot.

4.2 Exterior Energy Devices. All energy production devices including, but not limited to, generators of any kind and solar energy devices, shall not be constructed or maintained on any Townhome Lot.

4.3 Lighting. No external lighting other than the original Townhome exterior light installed as part of each Townhome shall be permitted.

ARTICLE 5: TOWNHOME BUILDINGS AND INDIVIDUAL TOWNHOMES.

5.1 Townhome Zero Lot Line Party Walls. The Townhomes constructed upon the Townhome Lots include Party Walls, being the common walls between any two Townhomes, separating the Townhomes. Such Party Walls are intended to be constructed upon the Townhome Lot boundary lines. To the extent any Party Wall exists, encroaches or overlaps upon a Townhome Lot, there is hereby created a common reciprocal easement for the location of such Party Wall. Each Owner shall have the right to use the surface of any Party Wall contained within the interior of the Owner's Townhome, provided that an Owner shall not drive, place or cause to be driven or place any nail, bolt screw or other object into a Party Wall which penetrates the surface of such party wall more than one inch. The Owners shall respectively own to the centerline of any Party Wall. Each Owner on each side shall be subject to the following:

5.2.1 General Rules of Law to Apply. Each zero lot line Party Wall which is built as a part of a Townhome Building and placed on the dividing line between the Townhome Lots shall constitute a Party Wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. Except for repairs after a casualty, no Owner shall be allowed to penetrate any Party Wall.

5.2.2 Sharing of Repair and Maintenance. The cost of reasonable structural repair and maintenance of a Party Wall shall be shared equally by the adjoining Owners. Each Owner shall be solely responsible for maintenance and repairs to the interior surface of the Party Wall in each Owner's Townhome, provided however, that in the event of Owner's interior surface is damaged by the other Owner to the Party Wall or the other Owner's Occupants, then the other Owner shall be liable for the repairs.

5.2.3 Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, either Owner may restore it, the adjoining Owner shall contribute one-half of the cost of restoration thereof, without prejudice, however, to the right of any such Owners to call for a larger contribution from the adjoining Owner under any general rule of law regarding liability for negligent or willful acts or omissions.

5.2.4 Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements shall bear the whole cost of repair to such Party Wall and the furnishing of the necessary protection against such elements.

5.2.5 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors.

5.2.6 Utilities. Any utilities or utility services located within the Party Wall shall be maintained by each Owner using the utility.

5.2.7 Arbitration. In the event of any dispute arising concerning a Party Wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrator shall choose one additional arbitrator, and the decisions shall be by a majority of all the arbitrators.

5.3 Maintenance of Townhome Los and Exteriors. The Association shall maintain or provide for the maintenance of the exteriors of a Townhome Building, including the roofs, siding, soffit, fascia, gutters and downspouts (“**Townhome Exteriors**”), which expenses of maintenance, repair and replacement shall be a common expense of the Association, excluding, however, exterior windows, screens, doors, lights, air conditioners, front door, driveway, walkway, patio, and any exterior patio walls (collectively the “**Owner’s Components**”), which shall be the Owners’ responsibilities. Each Owner is also responsible for any damage they or any of their tenants may cause their Townhome or another Townhome. The Association shall also be responsible for the maintenance of all lawns, including mowing, fertilization, weeding of shrub beds and general irrigation system maintenance, including spring start up and fall blow out, regulation of water pressure and coverage of sprinklers on the Townhome Lots. The installed Townhome Lots’ irrigation systems will be managed and maintained by the Association. The Association shall operate and manage one or more controllers for all irrigation portions of the Phase 1 Plat and subsequent phase plats. The Association shall also maintain any original landscaping installed on the Townhome Lot or any additional landscaping that is permitted by the Association, which Association shall have the sole right to permit or deny landscaping beyond said original landscaping; provided however, such landscaping maintenance does not include any replacement of trees or shrubs (including pruning), or planting or maintenance of flower beds. Any sidewalks between the streets and the Townhomes will be setback from the street’s curb and gutter creating a 5’ median strip. These median strips shall be improved by a layer of gravel, it not being the intent of the Declarant or the Association to landscape such strips.

5.4 Townhome Lot Assessments. The Townhome Lots shall be subject to such assessments as may be determined and levied by the Association for Townhome Exteriors; lawn and the permitted landscaping maintenance set forth in this section, and irrigation maintenance; and special assessments for capital improvements to the Townhomes as set forth in **Article 9** of this Declaration.

ARTICLE 6: OWNER RESPONSIBILITIES.

6.1 Owner’s Maintenance and Use Responsibilities. The Owner’s maintenance and use responsibilities include:

(a) A Townhome which is vacant for any reason shall be kept locked and the windows glazed in order to prevent entrance by vandals. Vacant Townhomes shall not be exempt from the provisions of this Declaration.

(b) All trash, debris, garbage and refuse shall be kept at all times in a covered container and all such containers shall be kept in the Townhome garage or screened from public view.

(c) Each Townhome Owner shall maintain an insurance policy to cover casualty insurance on the Owner's Townhome.

(d) No machinery, appliances, equipment, materials or similar items shall be stored on a Townhome Lot outside of the Townhome's garage, except for the Townhome's air conditioning compressor.

(e) Any event or condition on a Townhome Lot which, in the sole discretion of the Board, creates an unsightly or blighting influence, shall be corrected, removed or obstructed from public view, as the case may be, by the Owner of the Townhome Lot.

(f) In the event that any Owner shall permit any of the Owner's Component of the Owner's Townhome to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Declarant or the Board, upon fifteen (15) days prior written notice to the Owner of such Townhome Lot, shall have the right to correct such condition, and to enter upon said Townhome Lot and into the Townhome, if necessary, for the purposes of correcting or repairing the same, and such Owner shall promptly reimburse the Association for the cost thereof. The Owner of the offending Townhome Lot shall be personally liable, and such Owner's Townhome Lot may be subject to a lien for all costs and expenses incurred by the Association in taking such corrective action, plus all costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefore, or the amounts may, at the option of the Board, be levied as an Assessment against said Townhome Lot and shall be enforceable in the same manner as set forth in **Article 9** of this Declaration.

6.2 Exterior Materials and Colors. Because each Townhome is one of four Townhomes in a single Townhome Building, all exterior materials and colors shall be selected and used by the Board and which are in the Board's sole discretion compatible with other Townhome Buildings, although not necessarily identical, provided that all such Townhome Buildings will present a unified and coordinated appearance. All exterior finishes and/or colors shall be selected by the Board.

6.3 Signs. No commercial billboard or advertising shall be displayed to the public view on or from any Townhome Lot. Owners may advertise a Townhome for rent or for sale by displaying a single, neat, reasonably sized vacancy sign or 'For Sale' sign thereon. Lighted, moving or flashing signs for any purposes are prohibited. Any directional or identification sign within the Property may be temporarily permitted, such as 'Garage Sale' or 'Family Occasion Event.'

6.4 Outbuildings. No outbuildings, sheds nor pet shelters may be constructed on the Owner's Townhome Lot.

6.5 Fences. No fence or wall of any kind shall be constructed on a Townhome Lot, except for the patio dividing privacy fence or wall constructed as part of the Townhome.

6.6 Mailboxes. No individual mailboxes shall be constructed or installed on any Townhome Lot. The occupants of each Townhome Building shall receive their mail in mailbox clusters installed by the Declarant within the Subject Property.

6.7 Basements. No basements shall be permitted.

ARTICLE 7: PARK SPRING TOWNHOME ASSOCIATION

7.1 Formation. The Association shall be organized by the Declarant as an Oregon nonprofit corporation. The Association will be incorporated and will adopt By-Laws for its governance. To the extent the Articles of Incorporation or By-Laws of the Association conflict with the provisions of this Declaration, the provisions of this Declaration shall control.

7.2 Membership. Each Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Townhome Lot. The ownership of a Townhome Lot shall be the sole qualification for membership and shall automatically commence when a person becomes such Owner and shall automatically terminate when such ownership is conveyed or transferred. There shall be only one membership for each Townhome Lot. If there are multiple Owners of a Townhome Lot, the Owners shall, by written instrument filed with the Association, designate the individual entitled to exercise the privileges of Membership.

7.3 Association Control. Until the Transition Date, the Declarant, or the Declarant's successor or assignee, shall have the exclusive control of the Association and the Owners, excluding the Declarant, shall not have the right to vote on any matters involving the operation of the Association or the Association's exercise of its authority. On and after the Transition Date, the membership shall be franchised, and each Member shall be entitled to one vote for each Townhome Lot owned. **OWNERS UNDERSTAND THAT THE SUBDIVISION IS BEING DEVELOPED IN PHASES AND UNTIL THE FINAL PHASE IS CONSTRUCTED AND SUBSTANTIALLY SOLD OUT, THE DECLARANT WILL NOT TRANSFER CONTROL OF THE ASSOCIATION OVER TO THE TOWNHOME LOT OWNERS.**

7.4 Powers of Association. The Association shall have all powers of a non-profit corporation organized under the laws of the State of Oregon subject only to such limitations as are expressly set forth in the Articles, the By-Laws or this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under the Articles, By-Laws or this Declaration, and to do and perform any and all acts which may be necessary or proper for, or incident to, the proper management and operation of the Townhome Lots, and the performance of the duties of the Association and other responsibilities set forth in this Declaration, including, but not limited to, the following:

(a) Assessments. The power to determine the amount of and to levy Regular and, Special Assessments on the Owners and Townhome Lots, pursuant to **Article 9** of this Declaration, and to enforce payment thereof in accordance with the provisions of this Declaration, and the laws of the State of Oregon.

(b) Right of Enforcement. The power and authority from time to time in its own name, on its own behalf, or on behalf of any Owners(s) who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Articles, By-Laws, Declaration, and to enforce by mandatory injunction or otherwise, all provisions thereof.

(c) Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any person, firm or corporation to act as manager, and to pay to such manager such compensation as shall be reasonable.

(d) Liability of Board Members and Officers. No member of the Board nor any officers of the Association shall be personally liable to any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Board, its officer, a manager or any other representative or employee of the Association, provided that said Board Member, officer, manager, or other person has, upon the basis of such information as was available, acted in good faith without willful or intentional misconduct.

(e) Association Rules. The power to adopt, amend and repeal such rules and regulations as the Association deems reasonable. Such rules shall govern the use by Owners and Occupants; provided, however, Association Rules shall not discriminate among Owners and shall not be inconsistent with the Articles, By-Laws or this Declaration. A copy of Association Rules as they may from time to time be adopted, amended or repealed shall be mailed or otherwise delivered to each Owner. Upon such mailings, said Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of any conflict between an Association Rule or any provision of the Articles, By-Laws or this Declaration, the conflicting provisions of the Association Rules shall be deemed superseded to the extent of any such inconsistency.

(f) Emergency Powers. The Association, or any person authorized by the Association, may enter onto any Townhome Lot or into any Building in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which it is responsible. Such entry shall be made with as little inconvenience to the Occupants as practicable and any damage caused thereby shall be repaired by the Association unless said entry was necessitated by a condition caused by the Owner or Occupant.

7.5 Duties of Association. In addition to the powers delegated to it by the Articles, By-Laws and this Declaration, and its maintenance obligations set forth in **Section 5.3**, without limiting the generality thereof, the Association or its authorized agents, if any, shall have the obligation to conduct all business affairs of common interest to all Owners and to perform each of the following duties:

(a) Taxes and Assessments. Real property taxes and assessments levied against a Townhome Lot in any Townhome Building shall be the responsibility of the Owner of each Townhome Lot. If there are any real or personal property taxes levied against the Association with

respect to any Association property, the Association will pay such taxes and include them as part of the Association's annual budget. Such taxes and Assessments may be contested or compromised by the Association. In addition, the Association shall pay all other taxes, federal, state or local, including income or corporate taxes, levied against the Association in the event that the Association is denied the status of a tax exempt corporation.

(b) Insurance. The Association shall procure comprehensive liability insurance, workman's comp insurance, and officers and directors liability insurance. The Association shall require each Townhome Owner to procure and maintain in place contiguous coverage for fire and all hazards casualty insurance on the Owner's Townhome.

(c) Identification Signs. Maintain, repair and replace any permanent entry and special identification signs for the Subject Property, whether the same be located within or without the boundaries of the Subject Property.

(d) Rule Making. Make, establish, promulgate, amend and repeal Association Rules.

(e) Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration and the Association Rules.

7.6 Improvements. The Association shall have the right, in accordance with its Articles and Bylaws, to borrow money for the purpose of maintaining the Townhome Exteriors.

ARTICLE 8: RIGHTS RESERVED BY DECLARANT

8.1 Notwithstanding anything to the contrary contained in this Declaration, Declarant expressly reserves unto itself, its successors and representatives, contractors and their subcontractors (including any district, company, unit of local government, Association or other entity providing water, sewer, gas, electricity, telephone, cable television, or other similar services), easements, access and rights-of-way on, under and across all or part of the utility easements on the Phase 1 Plat, over and under all Townhome Lots for installation, use, maintenance and repair of all lines, wires, facilities, and other things necessary for all such services, provided that any installation, maintenance or repair of such lines, wires or pipes shall be performed with reasonable care and that the surface of said easement area shall be restored to the level and condition that existed prior to the doing of work.

ARTICLE 9: ASSESSMENTS

9.1 Agreement to Pay Assessments.

Each Owner, by acceptance of the deed therefore (whether or not it shall be so expressed in such deed) is deemed to covenant and agree to pay when due all Regular and Special Assessments made by the Association or the Declarant.

(a) Regular Assessments: An annual Regular Assessment shall be determined by the Association in such amounts deemed appropriate by the Board. The Regular Assessments shall be based upon advance estimates of cash requirements as determined by the Board for the maintenance and repair, painting and replacement of the Townhome Exteriors; lawn, landscaping, and irrigation maintenance of the Townhome Lots and any property owned or controlled by the Association; and for the performance by the Association of its other duties and responsibilities. The Association shall include in the Regular Assessments a contribution to a reserve fund for the repair and replacement of the roofs, Townhome Building painting and other capital needs. Such estimates may include, but shall not be limited to, expenses of management, taxes and premiums for all insurance which the Association is required or permitted to maintain hereunder, legal and accounting fees, and any deficit remaining from previous periods and the funding of a reserve, surplus and/or sinking fund(s). If Lot 5, or portions thereof, become Annexed Property and some portion of the Annexed Property includes common area and/or common facilities, the Board shall include in its estimates cash requirements for the Association's care and maintenance of such common areas and facilities. The Regular Assessments shall be at a uniform rate per Townhome.

(b) Special Assessments: In addition to Regular Assessments, the Association may levy at any time a Special Assessment payable over such period as the Board may deem appropriate for the following purposes:

(i) To defray, in whole or in part, the cost of any of the exterior components of the Townhomes that are the responsibility of the Association, or for any other expenses incurred or to be incurred as provided in this Declaration, including any accounting and attorney fees reasonably incurred in connection with the Board's administration of its responsibilities under this Declaration.

(ii) To cure a deficit in the common and ordinary expenses of the Association for which Regular Assessments for a given calendar or fiscal year are or will be inadequate to pay, as determined by the Board.

9.2 Collection and Enforcement. The Regular and Special Assessments, together with interest thereon and costs of collection and reasonable attorney fees, shall be a charge on the Townhome Lot and shall be a continuing lien upon the Townhome Lot against which such Assessment is made. Each such Assessment, together with interest, costs of collection and reasonable attorney fees shall also be the personal obligation of the Owner at the time when the Assessment fell due. The right to collect and enforce payment of the Assessments is vested in the Association.

If an Owner fails to pay an Assessment within thirty (30) days of its due date, the Association shall prepare a written notice of Assessment setting forth the type of Assessment, the amount of the Assessment, the amount remaining unpaid, the name of the record Owner of the Townhome Lot, and a legal description of the Townhome Lot. Such notice shall be signed by the President and Secretary of the Association, whose signatures shall be acknowledged by a notary republic, and such notice

shall be recorded in the office of the Baker County Recorder. Thereupon, and upon the continuing failure of the Owner to pay an Assessment, the lien for Assessment herein created may be foreclosed upon as provided by law for foreclosure of a mortgage on real property and other real property liens. Notwithstanding anything to the contrary contained in the Declaration and any amendment thereof, no action may be brought to foreclose the lien of any Assessment until the expiration of thirty (30) days after written notice of default has been deposited in the United States mail, addressed to the Owner of the Townhome Lot at the street address of the Townhome Lot or the last known address of the Owner, or otherwise if shown on the books and records of the Association. Such notice shall specify the amount and due date of the unpaid Assessments and the legal description of the Townhome Lot.

9.3 Set up and Initial Regular Assessments. Assessments shall commence as to each Townhome Lot upon the closing of the first sale of such Townhome Lot from the Declarant, or as to the remaining Townhome Lots owned by Declarant, when such Townhome Lots are no longer offered for sale to the general public. At the closing of the first sale of each Townhome Lot an initial set up fee of \$250.00 shall be paid to the Declarant. Thereafter, at each subsequent closing, the Owner thereof shall pay as a transfer fee the sum of \$200.00. At the closing of every sale of a Townhome Lot (its initial sale and subsequent sales) the Owner shall pay such portion of the existing Regular Assessment pro rated for the remainder of the calendar year. The initial Assessments shall be paid to the Declarant to reimburse the Declarant Association costs incurred or to be incurred by the Declarant prior to the Transition Date. The pro rata portion of the Regular Assessment will be paid to the Declarant on behalf of the Association for each Closing that occurs prior to the Transition Date and only paid to the Association if the Association has conducted its first annual meeting, elected a board of directors and assumed the obligations and expenses of the Association. Until the Association has conducted its first meeting, the Declarant shall have the full power and authority to exercise all of the rights, duties and functions of the Association. The Declarant shall have the exclusive use of Assessments for the purpose of discharging the duties and obligations of the Association in accordance with this Declaration. The Association shall, upon its first meeting, initiate Assessments in accordance with this **Article 9**, without regard to or an accounting of the initial deposits or other Assessments previously paid to the Declarant. Until the Transition Date, the Declarant or its successor shall be responsible for the difference between the total revenue generated by Assessments or other Association dues and fees that are insufficient to pay the total expenses of the Association (the “**Shortfall**”). The Declarant agrees to pay the Shortfall from time to time by payment to the Association or by paying directly invoices or other obligations of the Association.

9.4 Assessment Due Date. The due date for Regular Assessment shall be February 1, unless some other due date(s) is established by the board. Each Assessment shall be delinquent if not paid within fifteen days after the due date set forth in any notice of Assessment.

9.5 Interest and Penalties. Any Regular or Special Assessments levied on Townhome Lots if not paid when due, shall bear interest at an annual rate as shall be set by the Board from time to time, or if none is so set, at an annual rate of 10%. Such interest shall commence on the date the Assessment becomes due and payable. In addition to the interest charged, the Board may, in accordance with Association Rules promulgated by it, impose additional fines or charges for the

failure of an Owner to timely pay any Assessment when due. The right of the Board to charge interest or impose additional fines or charges shall be in addition to, and not in lieu of, any other right of enforcement or sanction available to the Board in the event of non payment of an Assessment.

9.6 Billing for Annual Assessment. The Regular Assessment may be billed on a monthly basis, 1/12th per month on a quarterly basis, 1/4th per quarter, or annually, in advance.

9.7 Notice and Quorum for Special Assessment. Written notice of any meeting called for the purpose of making a Special Assessment shall be sent to all Association members not less than twenty (20) days in advance of such meeting. Such notice shall specifically indicate that a Special Assessment is to be considered at such meeting. A quorum of not less than a one-third majority of the Owners entitled to vote shall be required at such meeting whether in person or by proxy.

9.8 Uniform Rate of Assessment. Special Assessments must be fixed in an equal amount for each Townhome Lot that has been sold by the Declarant. All Special Assessments shall equally apply to all Townhome Lots, except that any Townhome Lots owned by the Declarant that are still offered for sale to the general public shall not be subject to any Assessments.

9.9 Subordination to the Lien of Mortgage. The lien of Assessments provided for herein shall be subordinate to the lien of any First Mortgage. Sale or transfer of any Townhome Lot shall not affect the Assessment lien, but the sale or transfer of any Townhome Lot pursuant to a Mortgage foreclosure, if the Mortgage is held by any person other than a prior Owner of the Townhome Lot, shall extinguish the lien of such Assessments as to payments which have become due prior to such sale or transfer.

ARTICLE 10: ANNEXATION

10.1 Procedure. Additional land consisting of all or a portion of Lot 5, Park Springs Subdivision Phase 1, may be further subdivided into additional townhome lots, together with common area lots and streets dedicated to Baker City, and may be annexed by Declarant without the consent of the Owners or the Association at any time. Upon the earlier of recordation of a Plat of such additional land, or the certification by the Declarant describing additional land that the Declarant intends to plat or otherwise annex such additional property shall, for the purposes of this Declaration, be deemed Annexed Property. Amendment of the Declaration to include such Annexed Property, and to subject such Annexed Property to the rights, privileges, restrictions, covenants and easements herein provided shall be made by the execution and recordation by Declarant of a Supplemental Declaration, which shall describe the additional property being annexed, and any supplemental or different covenants, conditions and restrictions applicable thereto, if any, and any deletions or modifications to these covenants, conditions and restrictions as the Declarant may deem appropriate. Upon the recordation of the Supplemental Declaration, the Annexed Property described therein, shall be subject to the term and provisions of this Declaration as though included originally in this Declaration, and the definitions of Subject Property, shall automatically be amended to conform to such supplement or supplements, as shall all the other definitions herein, including the

definitions of Townhome Building, Townhome Lot and Owner. All Owners of Townhome Lots located within the Annexed Property shall be subject to all easements, restrictions and reservations set forth in this Declaration. Upon such annexation, the Owners of the Townhome Lots within the Annexed Property, shall become Members of the Association with all rights, privileges, and obligations as all other Members.

ARTICLE 11: GENERAL PROVISION.

11.1 Enforcement. The Association, the Declarant, any Owner, or any First mortgagee shall have the right to enforce, by proceedings of law or in equity, the terms and provisions of this Declaration. Failure by the Association or any Owner to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of the right to do so thereafter.

11.2 Severability. Invalidity of any one of these covenants or restrictions shall in no way affect other provisions which shall remain in full force or effect.

11.3 Term. This Declaration shall run with the land and shall inure to the benefit of the Association, the Owner of any Townhome Lot, and any First Mortgagee as provided herein, and their respective legal representatives, heirs, successors, grantees, and assigns, for a term of forty (40) years from the date of this Declaration.

11.4 Amendments. Except as otherwise provided herein, any of the covenants and restrictions of this Declaration, except the easements herein granted for utilities and water distribution facilities, may be amended by an instrument signed and acknowledged by the president and secretary of the Association certifying and attesting that such amendment was approved by the vote or written consent of Owners representing more than 66-2/3 of the votes of the membership. Any amendment must be recorded. Any amendment of this Declaration approved in the manner specified shall be binding on and effective as to all Owners, notwithstanding that such Owners may not have voted for or consented to such amendment. Such amendments may add to or further restrict the provisions of this Declaration, but shall not prohibit or unreasonably interfere with the allowed uses of the Townhome Lots which existed prior to any such amendment.

11.5 Contracts or Agreements. The Board may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the VA, FHA, the FHLMC, the FNMA or the GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first mortgages encumbering building Townhome Lots in the Project with Townhome structures thereon.

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Declarant has set its hand and seal as of the date and year first above written.

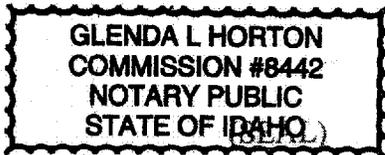
1099 LLC

By: *Russell D. Hunemiller*
Russell D. Hunemiller, its Member

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

On this 15th day of May, 2023, before me, the undersigned, a notary public in and for said state, personally appeared Russell D. Hunemiller, known and identified to me to be a Member of 1099 LLC that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same.

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



Glenda L Horton
Notary Public for Idaho
Residing at *Nampa Idaho*

Idaho

Canyon County

Commission

Expires: *05/28/2023*

EXHIBIT A
Phase 1 Plat of Park Springs Subdivision

(See following 2 pages.)

STATE OF OREGON

County of Baker

} SS

I certify that this instrument was received and recorded in the book of records of said county.

Stefanie Kirby
Baker County Clerk

by: *Karen Phillips* Deputy.

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REFUND:

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