



After Recording return to:

Kastera Homes
1961 S. Saturn Way, Suite 100
Boise, ID 83709

**FIRST AMENDMENT
TO
DECLARATION OF CONVENANTS, CONDITIONS, AND RESTRICTIONS
OF
SKYLIGHT SUBDIVISION MARKETED AS SOUTH HILL**

This Amendment is made May 1, 2008, pursuant to Article XV, Section 3 of the Declaration. This Amendment shall modify and change that certain Declaration recorded as of March 14, 2008, as Instrument No. 108029394, records of Ada County, Idaho.

This Amendment shall have the same effect as if it were part of the original Declaration. This Amendment is as follows:

Article V, Section 1 shall be modified to read as follows:

Section 1. Ada County Highway District Storm Water and Drainage Easement: The Ada County Highway District has been granted a perpetual blanket storm water drainage easement over Lot 10 and portions of Lots 22, 23, and 24, Block 4 Skylight Subdivision on which has been constructed storm water drainage facilities to be owned and operated by the Ada County Highway District in accordance with the provision of the Master Perpetual Storm Water Drainage Easement recorded on May 20, 2004 as Instrument No. 104068411 records of Ada County, Idaho.

A. Ada County Highway District Storm Water Drainage License. Pursuant to the provisions of the Storm Water Drainage License Agreement between Ada County Highway District and the Association dated April 11, 2008, Ada County Highway District has granted a storm water drainage license ("Drainage License") to the Association to: (1) construct, reconstruct, repair, maintain and replace the underground storm drain pipe ("Improvements") connecting certain Association property, herein described as Common Lot 1, Block 1 and Residential Lots 2, 3, 4, 5, 6, 7 and 8, Block 1 Skylight Subdivision, with the Ada Country Highway District underground storm water drainage system ("ACHD Storm Drainage System"); and (2) to discharge storm water surface run-off from the Association's property into the ACHD Storm Drainage System by use of the Improvements.

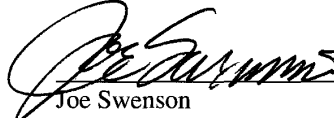
Article V, Section 4 shall be modified to read as follows:

Section 4. Assessment and Lien Rights. The Ada County Highway District shall be entitled to levy assessment to the Association for the reasonable costs of all required maintenance and repairs to the storm water drainage facilities and shall be entitled to a continuing lien against all Lots for such unpaid assessments for maintenance and repair to the storm water drainage facilities.

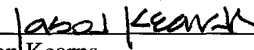
A. Ada County Highway District Storm Water Drainage License Fee Assessment. Pursuant to the provisions of the Storm Water Drainage License Agreement between Ada County Highway District and the Association dated April 11, 2008 and Section 1.A of this Article, the fee assessment for the Drainage License shall be a total of three

hundred dollars (\$300.00) per year for Common Lot 1, Block 1 and Residential Lots 2, 3, 4, 5, 6, 7 and 8, Block 1 Skylight Subdivision. The Association shall be responsible for the assessment of thirty seven dollars and fifty cents (\$37.50) for Common Lot 1, Block 1 and each Owner shall be responsible for the assessment of thirty seven dollars and fifty cents (\$37.50) for their corresponding ownership of Lots 2, 3, 4, 5, 6, 7 and 8, Block 1 as applicable.

IN WITNESS WHEREOF, the undersigned, being the President and Secretary of the South Hill Homeowners Association, Inc., hereby certifies and attests that this Amendment has been approved by the written consent of members representing not less than sixty-six and two-thirds percent (66-2/3%) of the total voting power in the Association.



Joe Swenson
President

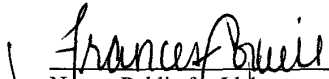


Jason Kearns
Secretary

STATE OF IDAHO)
 :SS
County of ADA)

On this 1st day of May, 2008, before me, a Notary Public, personally appeared Joe Swenson, known or identified to me to an officer of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

FRANCES CORKILL
NOTARY PUBLIC
(STATE OF IDAHO)

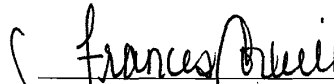


Notary Public for Idaho
Commission expires: 03.21.13

STATE OF IDAHO)
 :SS
County of ADA)

On this 1st day of May, 2008, before me, a Notary Public, personally appeared Jason Kearns, known or identified to me to an officer of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

FRANCES CORKILL
NOTARY PUBLIC
(STATE OF IDAHO)



Notary Public for Idaho
Commission expires: 03.21.13



Carol A. McKee, President
Sherry R. Huber, 1st Vice President
Dave Bivens, 2nd Vice President
John S. Franden, Commissioner
Rebecca W. Arnold, Commissioner

April 11, 2008

South Hill HOA
C/O Valley Property Management
849 East Fairview Avenue
Meridian, ID 84642

Dear Mr. Swenson:

The License Agreement to construct, reconstruct, repair, maintain and replace the underground storm drain pipe connecting Licensee's property with the ACHD Storm Drain System and to discharge storm water surface run-off from the Licensee's property into the ACHD Drainage System by use of the improvements and to use a 12" pipe with an orifice plate into back of existing sand and grease trap and to install a pre-setting basin was considered and approved by the Ada County Highway District. Please remember to call Construction Services at 387-6280 to verify if any additional Construction Permits are required.

Enclosed is your copy of the License Agreement outlining **all** the terms and conditions and assigned #0121-2049-0408. Please use this number in all future correspondence regarding this matter.

Sincerely,

ADA COUNTY HIGHWAY DISTRICT

Karen L. Arnold
Right of Way Account Clerk

Enclosure

Property Management No. 0121 - 2049 - 0408
Street: Lots 1-8 on West Skylight Street in South Hill HOA
T2N., R1E., Sec.1

STORM WATER DRAINAGE LICENSE AGREEMENT

THIS STORM WATER DRAINAGE LICENSE AGREEMENT (the "Agreement") is made and entered into this 11th day of APRIL, 2008, by and between the ADA COUNTY HIGHWAY DISTRICT, a body politic and corporate of the State of Idaho, hereinafter referred to as "ACHD" and **SOUTH HILL, HOA**, hereinafter referred to as "Licensee"; WITNESSETH:

FOR GOOD AND SUFFICIENT CONSIDERATION IT IS AGREED:

SECTION 1. RECITALS.

1.1 ACHD owns and has exclusive jurisdiction over the public right-of-way located in Ada County, Idaho, municipally described as **LOTS 1-8 ON WEST SKYLIGHT STREET IN THE SOUTH HILL HOA and SOUTH BRIGHT HORIZON WAY** hereinafter referred to as "Public Street") in which is located its underground storm water drainage system (hereinafter the "ACHD Storm Drain System").

1.2 Licensee owns the real property adjacent to the Public Street, located at what is municipally described as **LOTS 1-8 ON WEST SKYLIGHT STREET IN THE SOUTH HILL HOA** and desires a license to use the ACHD Storm Drain System to discharge storm water from those areas of its real property which are depicted on Exhibit "A" attached hereto ("Licensee's Property") into the ACHD Storm Drain System and, for the consideration and on the terms and conditions hereinafter set forth, ACHD is willing to extend such license to Licensee.

SECTION 2. LICENSE: LICENSE NOT EXCLUSIVE.

2.1 On the terms and conditions hereinafter set forth, ACHD hereby extends to Licensee a license across and under the Public Street for the following uses and purposes ("Authorized Use") and no others:

- (a) to construct, reconstruct, repair, maintain and replace the underground storm drain pipe (the "Improvements") connecting Licensee's property with the ACHD Storm Drain System; and
- (b) to discharge storm water surface run-off from the Licensee's Property into the ACHD Drainage System by use of the Improvements.
- (c) licensee to use a 12" pipe with an orifice plate into back of existing sand & grease trap and will install a pre-setting basin.

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Licensee to contact Construction Services at 208-387-6280 to verify if any additional construction permits are required.

During the term of this Agreement Licensee shall maintain an active membership in Digline, Inc.

2.2 This Agreement does not extend to Licensee the right to use the ACHD Storm Drain System to the exclusion of ACHD, its patrons and the public, for any use within ACHD's jurisdiction, authority and discretion. Licensee's Authorized Use is also subject to the rights of holders of easements of record or obvious on inspection of the Public Street and statutory rights of utilities to use the public highways and rights-of-way. This Agreement it is not intended to, and shall not, preclude or impede the ability of ACHD to enter into other similar agreements in the future allowing third parties to also use the ACHD Storm Drain System, or the ability of ACHD to redesign, reconstruct, relocate, maintain and improve its public rights-of-way, Highways and Storm Drain Systems as authorized by law and as it determines, in its sole discretion, is appropriate.

SECTION 3. MAINTENANCE OF IMPROVEMENTS. Any Authorized Use by Licensee of the Improvements on, across and under Park Boulevard shall be accomplished in accordance with designs, plans and specifications approved in advance and in writing by ACHD as required to satisfy applicable laws, ACHD policies and good engineering practices. In approving such plans and specifications, ACHD assumes no responsibility for any deficiencies or inadequacies in the design or construction of the Improvements, and the responsibility therefor shall be and remain in Licensee.

SECTION 4. TERM.

4.1 The term of this Agreement will commence on the date of the Parties' execution of this Agreement and continue until terminated by either party, with or without cause, which termination shall be effective following ninety (90) days advance written notice of termination given the other party, or, if terminated for cause, the termination shall be effective as provided in Section 4.2.

4.2 If Licensee defaults in the performance of any obligations incumbent upon it to perform hereunder ACHD may terminate this Agreement and the rights extended to Licensee hereunder at any time, effective at the end of thirty (30) days following the date ACHD shall provide written notice of termination to Licensee, which notice shall specify such default(s). Licensee shall have such thirty (30) day period to correct and cure the specified defaults, and if so corrected and cured, to the satisfaction of ACHD, this Agreement shall not be terminated but shall continue in full force and effect.

SECTION 5. FEE. Throughout the term of this Agreement Licensee agrees to pay ACHD an annual fee for the Authorized Use of the ACHD Storm Drain System of \$300.00, due and payable on the 1st day of January of each year, beginning January 1, 2009. Licensee agrees to pay the prorated sum of \$225.00 for the period of April 1st, 2008 through December 31, 2008. If this license is terminated under section 4 prior to

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the end of the period paid for in advance, ACHD agrees to refund the unearned prorate portion of such prepaid fee.

SECTION 6. MAINTENANCE; FAILURE TO MAINTAIN; RELOCATION OF UTILITIES.

6.1 At its sole cost and expense, Licensee shall maintain the Improvements in good condition and repair and as required to satisfy applicable laws, the policies of ACHD and sound engineering practices. Licensee shall have access over, across and under the Public Street for the purposes of accomplishing such repair and maintenance.

6.2 If the Public Street is damaged as a result of:

- (i) the performance by Licensee of the maintenance required by section 6.1, or the failure or neglect to perform such maintenance; and/or
- (ii) Licensee's design, installation or use of the Improvements, regardless of cause,

at its sole cost and expense Licensee shall forthwith correct such deficiency and restore the Public Street to the same condition it was in prior thereto, and if Licensee shall fail or neglect to commence such correction and restoration within twenty-four (24) hours of notification thereof, ACHD may proceed to do so, in which event Licensee agrees to reimburse ACHD for the costs and expenses thereof, including, without limitation, reasonable compensation for the use of staff and equipment of ACHD.

6.3 Notwithstanding the provisions of section 6.2, should an emergency exist related to the Licensee's use of this license which threatens the stability or function of the Public Street or the safety of the public use thereof, ACHD shall have the right to immediately perform, on behalf of, and at the cost of Licensee necessary emergency repairs.

6.4 Licensee will be responsible for the relocation of any existing utilities located on the Public Street as may be required in connection with any construction or installation of Improvements by Licensee.

6.5 A maintenance plan for the cleaning of the drainage system structures must be submitted to ACHD within fifteen (15) days after execution of this License. The maintenance plan shall detail the location of the drainage system structures, a schedule for the cleaning the drainage system structures, the anticipated disposal of the materials recovered as a result of the cleaning of the drainage system structures.

SECTION 7. RELOCATION OF IMPROVEMENTS. If during the term of this Agreement ACHD requires, in its sole discretion, at any time, and from time to time, that the Public Street or the ACHD Storm Drain System located thereunder be realigned, redesigned, improved and/or reconstructed, Licensee hereby accepts responsibility for

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all costs for relocating, modifying or otherwise adapting the Improvements to such realignment and/or relocation and/or improvement and/or reconstruction if required by ACHD, which shall be accomplished by Licensee according to designs, plans and specifications approved in advance by ACHD in writing; provided Licensee may elect to terminate this Agreement in lieu of complying with this responsibility, and further provided ACHD gives Licensee adequate written notice as necessary to allow Licensee to redesign, relocate, modify, or adapt the Improvements to the realignment and/or relocation and/or improvement and/or reconstruction of the Public Street and/or the ACHD Storm Drain System thereunder and also licenses Licensee such additional area of its ACHD Storm Drain System, if any, as may be necessary for the proper operation of the Improvements.

SECTION 8. PERMIT. If the construction and installation of the Improvements, or any reconstruction, relocation or maintenance thereof requires Licensee to obtain a permit under ACHD policies, Licensee shall first obtain such permit from ACHD (Construction Services Division) before commencing such work, and pay the required fees and otherwise comply with the conditions set forth therein.

SECTION 9. NO TITLE IN LICENSEE. Licensee shall have no right, title or interest in or to the Public Street or the ACHD Storm Drain System other than the right to make Authorized Use of the same pursuant to the terms of this Agreement.

SECTION 10. NO COSTS TO ACHD. Any and all costs and expenses associated with Licensee's Authorized Use of the ACHD Storm Drain System, or the relocation of Improvements or utilities thereon, or the restoration thereof at the termination of this Agreement, shall be at the sole cost and expense of Licensee.

SECTION 11. TAXES AND ASSESSMENTS. Licensee agrees to pay all special assessments and personal property taxes that may be levied and assessed on the Improvements during the term of this Agreement.

SECTION 12. RESTORATION ON TERMINATION. Upon termination of this Agreement, Licensee will promptly remove all Improvements and restore the Public Street and the ACHD Storm Drain System to at least its present condition. Should Licensee fail or neglect to promptly remove the Improvements and restore the Public Street and the ACHD Storm Drain System, ACHD may do so, and assess Licensee for the costs thereof. Provided, ACHD and Licensee may agree in writing that some or all of such Improvements are to remain under the Public Street following termination, and by entering into such an agreement Licensee thereby disclaims all right, title and interest in and to the same, and hereby grants such Improvements to ACHD, at no cost.

SECTION 13. INDEMNIFICATION. Licensee hereby indemnifies and holds ACHD harmless from and against any and all claims or actions for loss, injury, death, damages, mechanics and other liens, arising out of the failure or neglect of Licensee, Licensee's employees, contractors and agents, to properly and reasonably make Authorized Use of the ACHD Storm Drain System and the Public Street or properly

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construct, reconstruct, relocate, install, repair or maintain the Improvements, or that otherwise result from the use of the ACHD Storm Drain System by Licensee, and including any attorney fees and costs that may be incurred by ACHD in defense of such claims or actions indemnified against by Licensee hereunder. For claims or actions arising out of failures or neglects occurring during the term of this Agreement Licensee's obligations pursuant to this section shall survive the termination of this Agreement.

SECTION 14. COMPLIANCE WITH LAW; WASTE AND NUISANCES PROHIBITED. In connection with Licensee's use of the ACHD Storm Drain System, throughout the term of this Agreement Licensee covenants and agrees to: (i) comply and observe in all respects any and all, federal, state and local statutes, ordinances, policies, rules and regulations, including, without limitation, those relating to traffic and pedestrian safety, the Clean Water Act and/or to the presence, use, generation, release, discharge, storage or disposal into the ACHD Storm Drain System of any Hazardous Materials (defined as any substance or material defined or designated as hazardous or toxic waste, material or substance, or other similar term, by any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future); (ii) obtain any and all permits and approvals required by ACHD or any other unit of government; and (iii) commit no waste or allow any nuisance on the Public Street or the ACHD Storm Drain System. Licensee covenants and agrees to indemnify and hold ACHD harmless from and against any and all claims, demands, damages, liens, liabilities and expenses (including without limitation, reasonable attorneys' fees), arising directly or indirectly from or in any way connected with the breach of the foregoing covenants. These covenants shall survive the termination of this Agreement.

In particular if Licensee desires to clean Improvements, total containment of all fluids will be the only acceptable and permitted practice regardless of water type (pressurized or not, heated or not). Water used to clean Improvements will not be allowed to discharge into Storm Drain System.

SECTION 15. ASSIGNMENT. Licensee cannot sell, assign or otherwise transfer this Agreement, the license herein extended, or any of its rights hereunder except in connection with a sale or other transfer of the Licensee's Property and with the prior written consent of ACHD, which consent will not be granted unless the assignee assumes all obligations, warranties, covenants and agreements of Licensee herein contained.

SECTION 16. ATTORNEYS' FEES. In any suit, action or appeal therefrom to enforce or interpret this Agreement, the prevailing party shall be entitled to recover its costs incurred therein, including reasonable attorneys' fees.

SECTION 17. NOTICE. Any notice under this Agreement shall be in writing and be delivered in person, or by United States Mails, postage prepaid, or by public or private

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24-hour overnight courier service (so long as such service provides written confirmation of delivery), or by facsimile verified by electronic confirmation. All notices shall be addressed to the party at the address set forth below or at such other addresses as the parties may from time to time direct in writing by notice given the other. Any notice shall be deemed to have been given on (a) actual delivery or refusal, (b) three (3) days following the day of deposit in the United States Mails, (c) the day of delivery to the overnight courier, or (d) the day facsimile delivery is electronically confirmed.

If to ACHD: Ada County Highway District
3775 Adams St.
Garden City, Idaho 83714
Attn: ~~Right-of-Way~~

If to Licensee: South Hill HOA
c/o Valley Property Management
849 E. Fairview Ave.
Meridian, Idaho 83642

SECTION 18. SUCCESSORS AND ASSIGNS. This Agreement, the license herein extended, and the covenants and agreements herein contained shall inure to the benefit of and be binding upon the parties hereto and their successors and, if consented to by ACHD under section 15, Licensee's assigns.

SECTION 19. EXHIBITS. All exhibits attached hereto and the recitals contained herein are incorporated herein as if set forth in full herein.

SECTION 20. NO RECORDATION. This Agreement shall not be recorded in the Official Real Property Records of Ada County, Idaho.

SECTION 21. Warranty of Authority to Execute.

21.1 The person(s) executing this Agreement on behalf of ACHD represent(s) and warrant(s) due authorization to do so on behalf of ACHD, and that upon execution of this Agreement on behalf of ACHD, the same is binding upon, and shall inure to the benefit of, ACHD.

21.2 If Licensee is not a natural person, the person(s) executing the Agreement on behalf of Licensee represent(s) and warrant(s) due authorization to do so on behalf of Licensee, and that upon execution of this Agreement on behalf of Licensee, the same is binding upon, and shall inure to the benefit, of Licensee.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed the day, month and year first set forth above.

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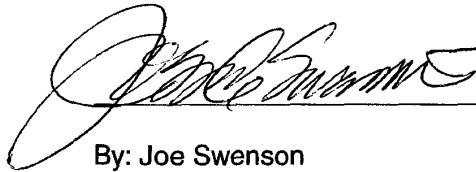
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ADA COUNTY HIGHWAY DISTRICT



By: Chanon B. Romo
Title: Right-of-Way Supervisor

LICENSEE



By: Joe Swenson
Title: South Hill HOA, Director

EXHIBITS:

Exhibit "A"-Depiction of area of Licensee's Property to be drained into the ACHD Storm Drain System, and location of Improvements