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MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
ESTABLISHING A PLAN OF
CONDOMINIUM OWNERSHIP FOR THE HIGHLANDS TOWNHOMES

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MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
FOR THE HIGHLANDS TOWNHOMES

This declaration is made on the _____ day of April, 1995, by
WAYNE ROTH, MICHAEL BROWNFIELD, and KATHLEEN BROWNFIELD
("Declarants").

RECITALS

Declarants are the owners of real property located in Blaine County, Idaho, described in Exhibit "A" attached hereto and made a part hereof by this reference (the "real property"). Declarants have improved or intends to improve the real property by constructing improvements on it containing six (6) dwelling units and recreational and other facilities in accordance with plans and specifications on file with the City of Ketchum, Idaho. By this declaration, Declarants intend to establish a plan of condominium townhome ownership and to provide for the annexation of additional real property to this declaration.

DECLARATION

Declarants declare that the real property is, and shall be, held, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to the following limitations, restrictions, easements, covenants, conditions, liens and charges, all of which are declared and agreed to be in furtherance of a plan of condominium townhome ownership as described in Idaho Code § 55-1501, et. seq. for the subdivision, improvement, protection, maintenance, and sale of condominium townhomes within the real property, and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the real property. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the real property, and shall be binding on and inure to the benefit of the successors in interest of such parties. Declarants further declare that it is the express intent that this declaration satisfy the requirements of Idaho Code § 55-1505.

This Declaration is made as contemplated by Article II of that certain Replacement Master Declaration of Covenants, Conditions and Restrictions of Elkhorn at Sun Valley recorded as Instrument No. 284533, and Amendment thereto recorded as Instrument No. 292649, Records of Blaine County (collectively, the "Master Declaration"); and further as contemplated under Supplemental Declaration of Covenants, Conditions and Restrictions for the Highland Subdivision, recorded as Instrument No. 317616, records of Blaine County and as amended by Instrument No. 365651, records of Blaine County.

1. DEFINITIONS

1.1 The "articles" mean the Association's Articles of Incorporation and their amendments.

1.2 The "Association rules" mean the rules and regulations regulating the use and enjoyment of the common area adopted by the board from time to time.

1.3 The "Association" means the Highlands Townhomes Owners Association, an Idaho nonprofit corporation, its successors and assigns.

1.4 The "board" means the board of directors of the Association.

1.5 The "bylaws" mean the Association's bylaws and their amendments.

1.6 The "common area" means the entire development except all units as defined in this declaration or as shown on the condominium townhome plan. The percentage of ownership interest in the Common Area which is allocated to each Unit for purposes of tax assessment under Idaho Code §55-1514 and for purposes of liability determination as provided by Idaho Code §55-1515 is expressed as a percentage of the entire ownership interest in the Common Area in Exhibit "B".

1.7 A "condominium townhome" means an estate in real property as defined in Idaho Code § 55-1503 consisting of an undivided interest as a tenant-in-common in the common area, together with a fee interest in a unit shown and described on the condominium townhome plan.

1.8 The "condominium townhome plan" means the condominium townhome plan recorded pursuant to Idaho Code § 55-1504 respecting the development, and any amendments to the plan. A copy of the condominium townhome plan is attached as Exhibit "C" and contains a legal description of each Unit in the development and the identifying number of each Unit.

1.9 "Limited common areas" mean those common areas and facilities designated in the declaration for use of a certain condominium townhome owner or owners to the exclusion, limitation or restriction of others.

1.10 The "declarant" means Sun Valley Partners, an Idaho general partnership, and its successors and assigns, if such successors and assigns acquire record title to any portion of the development for development purposes.

1.11 The "development" means the real property divided or to be divided into condominium townhomes or owned by the Association, including all structures and improvements on it, and any additional real property annexed to this declaration under Section 16 pursuant to any recorded supplement to this declaration.

1.12 A "member" means every person or entity who holds a membership in the Association.

1.13 A "mortgage" means a mortgage or deed of trust encumbering a condominium townhomes or other portion of the development. A "mortgagee" shall include the beneficiary under a deed of trust. An "institutional" mortgagee, is a mortgagee that is a bank or savings and loan association or mortgage company or other entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property, or any insurance company or any federal or state agency. A "first mortgage" or "first mortgagee" is one having priority as to all other mortgages or holders of mortgages encumbering the same condominium townhomes or other portions of the development.

1.14 An "owner" means each person or entity holding a record ownership interest in a condominium townhome, including declarant, and contract purchasers under recorded contracts. "Owner" shall not include persons or entities who hold an interest in a condominium townhome merely as security for the performance of an obligation.

1.15 A "unit" means the elements of a condominium townhome that are not owned in common with the other owners of condominium townhomes in the development, such units and their respective elements and boundaries being shown and particularly described in the condominium townhome plan. In interpreting deeds and plans the existing physical boundaries of a unit or of a unit reconstructed in substantial accordance with the original plans shall be conclusively presumed to be its boundaries rather than the description expressed in the deed or plans, regardless of minor variance between boundaries shown on the plans or in the deed and those of the building and regardless of settling or lateral movement of the building. Whenever reference is made in this declaration, in the condominium townhome plan, or in any deed or elsewhere to a unit, it shall be assumed that such reference is

made to the unit as a whole, including each of its component elements, and to any and all exclusive easements appurtenant to such unit over common area, if any.

2. DESCRIPTION OF COMMON INTERESTS, PROPERTY RIGHTS OF ENJOYMENT AND EASEMENTS

2.1 Ownership of Condominium Townhome; Easements.
Ownership of each condominium townhome within the development shall include a unit, limited common areas, and an undivided interest in the common area or portion thereof if additional real property is annexed to this declaration (which undivided interest shall be specified in the deed from declarant to each owner and which undivided interest cannot be altered or changed as long as the prohibition against severability of component interests in a condominium townhome remains in effect as provided in this declaration), a membership in the Association, and any exclusive or non-exclusive easement or easements appurtenant to such condominium townhome over the common area as described in this declaration or the deed to the condominium townhome.

2.1.1 Every contract for the sale of a condominium townhome and every other instrument affecting title to a condominium townhome may describe that condominium townhome by the number shown on the condominium townhome plan with the appropriate reference to the condominium townhome plan and to this declaration as each appears on the records of the County Recorder of Blaine County, Idaho, in the following fashion:

"Condominium Townhome Unit _____ as shown on the condominium townhome plan for The Highlands Townhome Condominiums appearing in the records of Blaine County, Idaho, as Instrument No. 378475, and as defined and described in that declaration for The Highlands Condominiums recorded in the records of Blaine County, Idaho, as Instrument No. 378474."

The description of the condominium townhome shall also include reference to the recording of any amendments to the condominium townhome plan or declaration.

Such description will be construed to describe the unit, together with the appurtenant undivided interest in the common area, and to incorporate all the rights incident to ownership of a condominium townhome and all the limitations on such ownership as described in this declaration.

2.2 Owners Non-Exclusive Easements of Enjoyment, Etc.
Every owner of a condominium townhome shall have a non-exclusive easement of use and enjoyment in, to and throughout the common area and for ingress, egress and support over and through the common area; however, such non-exclusive easements shall be subordinate

to, and shall not interfere with, exclusive easements appurtenant to units over the common area, if any. Each Owner shall have the exclusive right to use and enjoy the Limited Common Area designated herein for exclusive use by such Owner. Each such non-exclusive easement shall be appurtenant to and pass with the title to every condominium townhome, subject to the following rights and restrictions:

2.2.1 The right of the Association to limit the number of guests, and to adopt and to enforce the Association rules.

2.2.2 The right of the Association to charge reasonable admission and other fees for the use of any unassigned parking and storage spaces and any recreational facility situated upon the common area.

2.2.3 The right of the Association to borrow money to improve, repair or maintain the common area.

2.2.4 The right of the Association to assign, rent, license or otherwise designate and control use of unassigned parking and storage spaces within the common area (other than those portions subject to exclusive easements appurtenant to units, if any).

2.2.5 The right of the Association to suspend the right of an owner to use any recreational or other facility upon the common area as provided in Section 4.3.1.2 of this declaration.

2.2.6 The right of declarant or its designees to enter on the development to construct the development and to make repairs and remedy construction defects if such entry shall not interfere with the use of any occupied unit unless authorized by the unit owner.

2.2.7 The right of the Association, or its agents, to enter any unit to perform its obligations under this declaration, including obligations with respect to construction, maintenance or repair for the benefit of the common area, or the owners in common, or to make necessary repairs that the unit owner has failed to perform. The right shall be immediate in case of an emergency originating in or threatening such unit, whether or not the owner is present.

2.2.8 The right of any owner, or his representatives, to enter the unit of any other owner to perform permissible installations, alterations or repairs to mechanical or electrical services, including installation of television antennae and related cables, if requests for entry are made in advance and such entry is at a time convenient to the owner whose unit is being

entered except that in case of emergency such right of entry shall be immediate.

2.3 Delegation of Use; Contract Purchasers; Tenants. Any owner may delegate his rights of use and enjoyment in the development, including any recreational facilities to the members of his family, his guests, and invitees, and to such other persons as may be permitted by the bylaws and the Association rules, subject however, to this declaration, to the bylaws and to the Association rules. However, if an owner of a condominium townhome has sold his condominium townhome to a contract purchaser or rented it, the owner, members of his family, his guests and invitees shall not be entitled to use and enjoy the recreational facilities of the development while the owner's unit is occupied by such contract purchaser or tenant. Instead, the contract purchaser, while occupying such unit, shall be entitled to use and enjoy the recreational facilities of the development and can delegate the rights of use and enjoyment in the same manner as if such contract purchaser or tenant were an owner during the period of his occupancy. Each owner shall notify the secretary of the Association of the names of any contract purchasers or tenants of such owner's condominium townhome. Each owner, contract purchaser or tenant also shall notify the secretary of the Association of the names of all persons to whom such owner, contract purchaser, or tenant has delegated any rights of use and enjoyment in the development and the relationship that each such person bears to the owner, contract purchaser, or tenant. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of owners.

2.4 Minor Encroachments. If any portion of the common area encroaches on any unit or if any portion of a unit encroaches on the common area, regardless of the cause, a valid easement shall be deemed to exist for such encroachment and for the maintenance of it as long as it remains and all units and the common area shall hereafter be subject to such easements. If any structure containing a unit is partially or totally destroyed and then rebuilt and any encroachment on the common area results, a valid easement shall exist for such encroachment and for the maintenance of it as long as it remains, and all units and the common area shall be subject to such easements.

2.5 Easements Granted By Association. The Association shall have the power to grant and convey to any third party easements and rights-of-way in, on, over or under the common area for the purpose of constructing, erecting, operating or maintaining lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and each purchaser, in accepting a deed to a condominium townhome expressly

consents to such easement. However, no such easement can be granted if it would unreasonably interfere with the use, occupancy or enjoyment by any owner of his unit, any exclusive easements over the common area appurtenant to a condominium townhome or the recreational facilities of the development unless approved by the vote or written consent of the holders of not less than seventy-five percent (75%) of the voting rights of each class of members.

3. USE RESTRICTION

3.1 Residential Use. Units shall be used for residential purposes only. However, for a period of three (3) years from the date of recordation of this declaration, units owned by declarant may be used by declarant or its designees as models, sales offices and construction offices for the purpose of developing, improving and selling condominium townhomes in the development. Nothing in this declaration shall prevent an owner from leasing or renting his condominium townhome. However, any lease or rental agreement shall be in writing and any tenant shall abide by and be subject to all provisions of this declaration, the articles, the bylaws, and the Association rules and any lease or rental agreement must specify that failure to abide by such provisions shall be a default under the lease or rental agreement. Also, except for a mortgagee in possession of a condominium townhome following a default in a first mortgage, a foreclosure proceeding or acceptance of a deed or other arrangement in lieu of foreclosure, no owner shall rent, lease or let his condominium townhome for transient or hotel purposes.

3.2 Commercial Use. Except as otherwise provided in this declaration, including Section 3.1, no part of the development shall be used or caused, allowed, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose.

3.3 Maintenance. Each owner of a condominium townhome shall be responsible for maintaining his limited common area, his unit, including the equipment and fixtures in the unit and its interior walls, ceilings, windows and doors in a clean, sanitary, workable and attractive condition. However, each owner has complete discretion as to the choice of furniture, furnishings and interior decorating; but windows can be covered only by drapes or shades and cannot be painted or covered by foil, cardboard, or other similar materials. Each owner also shall be responsible for repair, replacement and cleaning of the windows and glass of his unit both exterior and interior. Unless otherwise provided in this declaration, each owner shall clean and maintain any exclusive easement appurtenant to his condominium townhome.

3.4 Oil Drilling. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any

kind shall be permitted on or in the development, and no oil wells, tanks, tunnels or mineral excavations or shafts shall be permitted on the surface of the development or within five hundred (500) feet below the surface of the development. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted on the development.

3.5 Offensive Conduct; Nuisances. No noxious or offensive activities, including but not limited to, repair of automobiles or other motorized vehicles, shall be conducted within the development. Nothing shall be done on or within the development that may be or may become an annoyance or nuisance to the residents of the development, or that in any way interferes with the quiet enjoyment of occupants of units. Unless otherwise permitted by the Association rules, no owner shall serve food or beverages, cook, barbecue, or engage in similar activities, except within such owner's unit, limited common area and except within those portions of the common area subject to exclusive easements appurtenant to such owner's condominium townhome, if any.

3.6 Parking Restrictions; Use of Garage. Unless otherwise permitted by the board, no automobile shall be parked or left within the development other than within a garage, carport, or assigned or appurtenant parking stall or space. No boat, trailer, recreational vehicle, camper, truck or commercial vehicle shall be parked or left within the development other than in a parking area designated by the board for the parking and storage of such vehicles. However, parking by commercial vehicles for the purpose of making deliveries shall be permitted in accordance with the Association rules. Any garages and carports shall be used for parking automobiles only and shall not be converted for living or recreational activities. Any garage doors shall remain closed at all times except when being used to enter or exit.

3.7 Signs. No sign of any kind shall be displayed to the public view on or from any unit or within the common area without the approval of the board, except such signs as may be used by the declarant or its designees for a period of three (3) years from the date of recordation of this declaration or the date of recordation of any Supplement to this declaration pursuant to Section 16 hereof, whichever is later, for the purpose of developing, selling and improving condominium townhomes within the development. However, one sign of customary and reasonable dimensions advertising a condominium townhome for sale or for rent may be placed within each unit or within the common area immediately adjacent to it by the owner, the location and design of it to be subject to approval by the board.

3.8 Antennae, External Fixtures, Etc. No television or radio poles, antennae, flag poles, clotheslines, or other external fixtures other than those originally installed by declarants or approved by the board and any replacements shall be constructed,

erected or maintained on or within the common area or any structures on it. No wiring, insulation, air conditioning, or other machinery or equipment other than that originally installed by declarant or approved by the board, and their replacements shall be constructed, erected or maintained on or within the common area, including any structures on it. Each owner shall have the right to maintain television or radio antennae within completely enclosed portions of his unit. However, if cable television is or becomes available to such owner, his right to maintain television antennae within completely enclosed portions of his unit shall terminate immediately unless the board continues to authorize their maintenance.

3.9 Fences, Etc. No fences, awnings, ornamental screens, screen doors, sunshades or walls of any nature shall be erected or maintained on or around any portion of any structure or elsewhere within the development except those that are installed in accordance with the original construction of the development, and their replacements or as are authorized and approved by the board.

3.10 Animals. No animals, reptiles, rodents, birds, fish, livestock or poultry shall be kept in any unit or elsewhere within the development except that domestic dogs, cats, fish and birds inside bird cages may be kept as household pets within any unit, if they are not kept, bred or raised for commercial purposes. The board can prohibit maintenance of any animal that constitutes a nuisance to any other owner in the sole and exclusive opinion of the board. Each person bringing or keeping a pet upon the development shall be absolutely liable to other owners, their family members, guests, invitees, tenants and contract purchasers, and their respective family members, guests, and invitees for any damage to persons or property caused by any pet brought upon or kept upon the development by such person or by members of his family, his guests or invitees.

3.11 Restricted Use of Recreation Vehicles, Etc. No boat, truck, trailer, camper, recreational vehicle or tent shall be used as a living area while located on the development. However, trailers or temporary structures for use incidental to the initial construction of the development or the initial sales of condominium townhomes may be maintained within the development but shall be promptly removed on completion of all initial construction and all initial sales.

3.12 Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers. No owner shall permit or cause any trash or refuse to be kept on any portion of the development other than in the receptacles customarily used for it, which shall be located only in places specifically designated for such purpose except on the scheduled day for trash pickup.

3.13 Outside Drying and Laundering. No exterior clothesline shall be erected or maintained and there shall be no exterior drying or laundering of clothes on balconies, patios, porches or other areas.

3.14 Structural Alterations. No structural alterations to the interior of or common area surrounding any unit shall be made and no plumbing or electrical work within any bearing or common walls shall be performed by any owner without the prior written consent of the board.

3.15 Exterior Alterations. No owner shall at his expense or otherwise make any alterations or modifications to the exterior of the buildings, fences, railings or walls situated within the development without the prior written consent of the board and any institutional first mortgagee whose interest may be affected.

3.16 Compliance With Laws, Etc.. Nothing shall be done or kept in any unit or in the common area that might increase the rate of, or cause the cancellation of, insurance for the development, or any portion of the development, without the prior written consent of the board. No owner shall permit anything to be done or kept in his unit that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No owner shall allow furniture, furnishings or other personalty belonging to such owner to remain within any portion of the common area except portions subject to exclusive easements over common area appurtenant to such owner's condominium townhome and except as may otherwise be permitted by the board.

3.17 Indemnification. Each owner shall be liable to the remaining owners for any damage to the common area that may be sustained by reason of the negligence of that owner, members of his family, his contract purchasers, tenants, guests or invitees, but only to the extent that any such damage is not covered by insurance. Each owner, by acceptance of his deed, agrees for himself and for the members of his family, his contract purchasers, tenants, guests or invitees, to indemnify each and every other owner, and to hold him harmless from, and to defend him against, any claim of any person for personal injury or property damage occurring within the unit of that particular owner and within any exclusive easements over the common area appurtenant to the owner's condominium townhome, unless the injury or damage occurred by reason of the negligence of any other owner or person temporarily visiting in said unit or portion of the common area subject to an exclusive easement appurtenant to the condominium townhome or is fully covered by insurance.

3.18 Owner's Obligation For Taxes. To the extent allowed by law, all condominium townhomes, including their pro rata undivided interest in the common area and the membership of an owner in the Association, shall be separately assessed and taxed

so that all taxes, assessments and charges which may become liens prior to first mortgages under local law shall relate only to the individual condominium townhomes and not to the development as a whole. Each owner shall be obligated to pay any taxes or assessments assessed by the county assessor of the county in which the development is located against his condominium townhome and against his personal property.

3.19 Future Construction. Nothing in this declaration shall limit the right of declarant, its successors and assigns, to complete construction of improvements to the common area and to condominium townhomes owned by declarant or to alter them or to construct additional improvements as declarant deems advisable before completion and sale of the entire development. The rights of declarant in this declaration may be assigned by declarant to any successor to all or any part of any declarant's interest in the development, as developer, by an express assignment incorporated in a recorded deed that transfers any such interest to a successor.

3.20 Enforcement. The failure of any owner to comply with any provision of this declaration or the articles or bylaws shall give rise to a cause of action in the Association and any aggrieved owner for the recovery of damages or for injunctive relief, or both.

4. THE ASSOCIATION

4.1 Formation. The Association is a nonprofit corporation formed under the laws of Idaho. On the close and recording of the first condominium townhome sale to an owner, the Association shall be charged with the duties and invested with the powers set forth in the articles, the bylaws and this declaration, including, but not limited to, control and maintenance of the common area and ownership of any facilities on the common area.

4.2 Association Action; Board of Directors and Officers; Members' Approval. Except as to matters requiring the approval of members as set forth in this declaration, the articles, or the bylaws, the affairs of the Association shall be conducted by the board and such officers as the board may elect or appoint. Such election or appointment shall be in accordance with this declaration or the bylaws, and their amendments. Except as otherwise provided in this declaration, the articles or the bylaws, all matters requiring the approval of members shall be deemed approved if members holding a majority of the total voting rights assent to them by written consent as provided in the bylaws or if approved by a majority vote of a quorum of members at any regular or special meeting held in accordance with the bylaws.

4.3 Powers and Duties of Association

~~1.3.3 Association Powers~~
~~powers of a nonprofit corporation organized under the General~~
Nonprofit Corporation Law of Idaho subject only to such limitations on the exercise of such powers as are set forth in the articles, the bylaws and this declaration. It shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the Association under this declaration, the articles and the bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the following:

4.3.1.1 Assessments. The Association shall have the power to establish, fix and levy assessments against the owners and to enforce payment of such assessments, in accordance with the provisions of this declaration. However, the approval of members shall be required as to the amounts of all regular and special assessments except as otherwise provided in this declaration.

4.3.1.2 Right of Enforcement. The Association in its own name and on its own behalf, or on behalf of any owner who consents, can commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provision of this declaration or of the articles or bylaws, or of the Association rules or any resolutions of the board, and to enforce by mandatory injunction, or otherwise, all of these provisions. In addition, the Association can suspend the voting rights, can suspend use privileges of the common area or can assess monetary penalties against any owner or other person entitled to exercise such rights or privileges for any violation of this declaration or the articles, bylaws, Association rules, or board resolutions. However, any such suspension of use privileges cannot exceed a period of thirty (30) days for any one violation and any monetary penalty cannot exceed Fifty Dollars (\$50.00) for any one violation. Each suspended or fined owner or other person can appeal such action by filing written notice of his intention to appeal with the board. The action imposing the fine or suspension shall then become ineffective until the fine or suspension is unanimously approved by all board members at a regular or special meeting of the board at which all board members are present. The owner or other person to be fined or suspended can appear, be represented by counsel and be heard at the meeting. Except as provided in this section, the Association does not have the power or authority to cause a forfeiture or abridgement of an owner's right to the full use and enjoyment of such owner's condominium townhome if the owner does not comply with provisions of this declaration or of the articles or bylaws or the Association rules, except when the loss or forfeiture is the result of a court judgment or arbitration decision or a foreclosure or sale under a

power of sale based on failure of the owner to pay assessments levied by the Association.

4.3.1.3 Delegation of Powers; Professional Management. The Association acting by and through the board can delegate its powers, duties, and responsibilities to committees or employees, including a professional managing agent ("Manager"). Any agreement for professional management of the development shall be terminable by either party with or without cause and without payment of a termination fee on thirty (30) days' written notice. The term of any such agreement shall not exceed one (1) year, although such agreement may be renewed from year to year by the board.

4.3.1.4 Association Rules. The board shall have the power to adopt, amend and repeal the Association rules as it deems reasonable. The Association rules shall govern the use of the common area by all owners or their families, guests, invitees or by any contract purchaser, or tenant, or their respective family members, guests or invitees. However, the Association rules shall not be inconsistent with or materially alter any provisions of this declaration, the articles or the bylaws. A copy of the Association rules as adopted, amended or repealed, shall be mailed or otherwise delivered to each owner and a copy shall be posted in a conspicuous place within the development. In case of any conflict between any of the Association rules and any other provisions of this declaration, the articles, or bylaws, the conflicting Association rules shall be deemed to be superseded by the provisions of this declaration, the articles or bylaws.

4.3.2 Duties of the Association. In addition to the powers delegated to it by its articles or the bylaws, and without limiting their generality, the Association, acting by and through the board, or persons or entities described in Section 4.3.1.3, has the obligation to conduct all business affairs of common interest to all owners and to perform each of the following duties:

4.3.2.1 Operation and Maintenance of Common Area. To operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the common area, and all its facilities, improvements, and landscaping including any private driveways and private streets, and any other property acquired by the Association, including personal property, in a first-class condition and in a good state of repair. In this connection, the Association may enter into contracts for services or materials for the benefit of the Association or the common area, including contracts with declarant. The term of any such service contract shall not exceed one (1) year and shall be terminable by either party with or without cause and without payment of a termination fee upon thirty (30) days' written notice.

4.3.2.2 Taxes and Assessments. To pay all real and personal property taxes and assessments and all other taxes levied against the common area, personal property owned by the Association or against the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

4.3.2.3 Water and Other Utilities. To acquire, provide and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other necessary utility services for the common area and for condominium townhomes when the condominium townhomes are not separately billed. The term of any contract to supply any of the listed services shall not exceed one (1) year or, if the supplier is a regulated public utility, the shortest term not to exceed one (1) year for which the supplier will contract at the applicable regulated rate.

4.3.2.4 Insurance. To obtain, from reputable insurance companies, and maintain the insurance described in Section 8.

4.3.2.5 Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by this declaration, that may be reasonably necessary to enforce any of the provisions of this declaration, the articles and bylaws, and the Association's rules and board resolutions.

4.3.2.6 Enforcement of Bonded Obligations. If the Association is the obligee under a bond or other arrangement ("bond") to secure performance of a commitment of the declarant or its successors or assigns to complete common area improvements, not completed at the time of recordation of the final subdivision plat for the latest phase of the development, the board shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any improvement for which a notice of completion has not been filed within sixty (60) days after the completion date specified for that improvement in the planned construction statement appended to the bond. However, if the Association has given an extension in writing for the completion of any common area improvement, the board shall consider and vote on the action to enforce the obligations under the bond only if a notice of completion has not been filed within thirty (30) days after the expiration of the extension. If the board fails to consider and vote on the action to enforce the obligations under the bond, or if the board decides not to initiate action to enforce the obligations under the bond, then on the petition in writing to the board signed by members of the association representing not less than ten percent (10%) of the total voting power of the Association, the board shall call a special meeting of members for the purpose of voting to override the decision of

the board not to initiate action or to compel the board to take action to enforce the obligations under the bond. The meeting shall be called by the board by fixing a date not less than fifteen (15) days nor more than thirty (30) days after receipt by the board of said petition and by giving written notice to all owners entitled to vote in the manner provided in this declaration or in the bylaws for notices of special meetings of members of the Association. At the meeting, the vote in person or by proxy of a majority of the owners entitled to vote (other than declarants) in favor of taking action to enforce the obligations under the bond shall be deemed to be the decision of the Association and the board shall then implement this decision by initiating and pursuing appropriate action in the name of the Association.

4.3.3 Limitations on Authority of Board. Except with the vote or written assent of members of the Association holding fifty-one percent (51%) of the voting rights of each class of members, the board shall not take any of the following actions:

4.3.3.1 Incur aggregate expenditures for capital improvements to the common area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

4.3.3.2 Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

4.3.3.3 Pay compensation to members of the board or to officers of the Association for services performed in the conduct of the Association's business. However, the board may cause a member of the board or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

4.4 Personal Liability. No member of the board, or of any committee of the Association, or any officer of the Association, or any manager, or declarant, or any agent of declarant, shall be personally liable to any owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

4.5 Organizational Meeting. An organizational meeting shall be held as soon as practicable after incorporation of the Association, and the directors elected then shall hold office until the first annual meeting. All offices of the board of directors shall be filled at the organizational meeting.

4.6 Regular Meetings of Members and Notice. The first annual meeting of members of the Association shall be held within forty-five (45) days after the closing of the sale of the condominium townhome that represents the fifty-first (51st) percentile interest of condominium townhomes approved for sale in the final subdivision plat for the first phase of the development, but in no case later than six (6) months after the closing and recording of the sale of the first condominium townhome within the development. Thereafter, regular meetings of members of the Association shall be held at least once in each year at a time and place within the development as prescribed in the bylaws or as selected by the board. Special meetings may be called as provided for in the bylaws. Notice of all members' meetings, regular or special, shall be given by regular mail, personal delivery or telegram to all owners and to any mortgagee who has requested in writing that such notice be sent to it and shall be given not less than ten (10) days nor more than thirty (30) days before the time of the meeting and shall set forth the place, date and hour of the meeting, and the nature of the business to be undertaken.

Any mortgagee, through its designated representative, shall be entitled to attend any such meeting but except as provided in Section 14.9 shall not be entitled to vote at the meeting. The presence at any meeting in person or by proxy of members entitled to cast at least fifty percent (50%) of the total votes of all members of the Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, members representing a majority of the votes present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the date the original meeting was called, at which adjourned meeting the quorum requirement shall be at least twenty-five percent (25%) of the total votes. Any meeting of members at which a quorum is present may be adjourned for any reason to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time of such meeting by members representing a majority of the votes present in person or by proxy.

4.7 Financial Statements of the Association. The Board shall prepare, or cause to be prepared, a balance sheet and an operating statement for the Association as of the accounting dates set forth in this Section, and copies of each shall be distributed to each owner within sixty (60) days after the accounting dates. Except with respect to the balance sheet and operating statements for the Association prepared with respect to the first accounting date and the pro forma budget described in Section 6.4.1.1, in any fiscal year in which the gross receipts of the Association exceed SEVENTY FIVE THOUSAND DOLLARS (\$75,000.00), the balance sheet and operating statement shall be audited by an independent public accountant. For those purposes the accounting dates for the preparation of the balance sheet and operating statement are as follows:

4.7.1 The first accounting date shall be the last day of the month closest in time to six (6) months from the date of closing of the first sale of a condominium townhome within the development. The balance sheet shall be rendered as of that date, and the operating statement shall be rendered for the period commencing with the date of closing of the first sale of a condominium townhome within the development and ending as of the first accounting date. The operating statement for the first six (6) months accounting period shall include a schedule of assessments received or receivable, itemized by unit number and by the name of the person or entity assessed.

4.7.2 The second and subsequent accounting date shall be the last day of the Association's fiscal year (which fiscal year shall be a calendar year unless a different fiscal year is adopted). The balance sheet shall be rendered as of that date, and the operating statement shall be rendered for the fiscal year it covers, and both shall be distributed to the owners within sixty (60) days after the close of the fiscal year.

4.7.3 Copies of each such balance sheet, operating statement and pro forma operating statement for the Association shall be mailed to any mortgagee who has requested in writing that such copies be sent to it.

4.8 Inspection of Association Books and Records.

4.8.1 Any membership register, books of account and minutes of meetings of the members, the board and committees of the board of the Association, shall be made available for inspection and copying by any member of the Association, or his duly-appointed representative, or any mortgagee, at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the development as the board prescribes.

4.8.2 The board shall establish by resolution reasonable rules with respect to:

4.8.2.1 Notice to be given to the custodian of the records of the Association by the member, representative or mortgagee desiring to make an inspection.

4.8.2.2 Hours and days of the week when an inspection may be made.

4.8.2.3 Payment of the cost of reproducing copies of documents requested by a member or by a representative or mortgagee.

4.8.3 Every director of the Association shall have the absolute right at any reasonable time to inspect all books,

records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

5. MEMBERSHIP AND VOTING RIGHTS

5.1 Membership.

5.1.1 Qualifications. Each owner of a condominium townhome, including declarants, shall be a member of the Association. No owner shall hold more than one membership in the Association even though such owner may own, or own an interest in, more than one condominium townhome. Ownership of a condominium townhome or interest in it shall be the sole qualification for membership in the Association. Each owner shall remain a member of the Association until his ownership or ownership interest in all condominium townhomes in the development ceases at which time his membership in the Association shall automatically cease. Persons or entities who hold an interest in a condominium townhome merely as security for performance of an obligation are not to be regarded as members.

5.1.2 Members' Rights and Duties. Each member shall have the rights, duties and obligations set forth in this declaration, the articles, the bylaws and the Association's rules, as the same may from time to time be amended.

5.1.3 Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, one or more condominium townhomes shall be appurtenant to each such condominium townhome, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such condominium townhome or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a condominium townhome or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new owner.

5.2 Voting.

5.2.1 Number of Votes. The Association shall have two (2) classes of voting membership:

Class A: Class A members are all owners, with the exception of declarant. Each Class A member shall be entitled to one (1) vote for each condominium townhome in which such class member owns an interest. However, when more than one Class A member owns an interest in a condominium townhome, the vote for such condominium townhome shall be exercised as they themselves determine,

but in no case shall more than one (1) vote be cast with respect to any one condominium townhome.

Class B: The Class B members shall be the declarant who shall be entitled to two (2) votes for each condominium townhome owned. The Class B membership shall cease and be converted to Class A membership on the happening of one of the following events, whichever occurs earlier:

5.2.1.1 When the total votes outstanding in the Class A membership equal, or exceed the total votes outstanding in the Class B membership; or

5.2.1.2 On the third anniversary of the recordation of the most recent final subdivision plat for a phase of the development; or

As long as two classes of members in the Association exist, no action by the Association that must have the prior approval of the Association members shall be deemed approved by the members unless approved by the appropriate percentage of both classes of members, except as provided in Section 4.3.2.6 of this declaration.

5.2.2 Joint Owner Votes. The voting rights for each condominium townhome may not be cast on a fractional basis. If the joint owners of a condominium townhome are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit the vote on the matter in question. If any owner exercises the voting rights of a particular condominium townhome, it will be conclusively presumed for all purposes that he was acting with the authority and consent of all other owners of the same condominium townhome. If more than one (1) person or entity exercises the voting rights for a particular condominium townhome, their votes shall not be counted and shall be deemed void.

6. ASSESSMENTS

6.1 Agreement to Pay. The declarant, for each condominium townhome owned by it in the development that is expressly made subject to assessment as set forth in this declaration, covenants and agrees, and each purchaser of a condominium townhome owned, covenants and agrees, to pay to the Association all regular assessments and special assessments, such assessments to be established, made and collected as provided in this declaration.

6.2 Personal Obligations. Each assessment or installment, together with any late charge, interest, collection costs and reasonable attorneys' fees incurred for collection or enforcement, shall be the personal obligation of the person or entity who was an owner at the time such assessment, or installment became due and payable. If more than one person or entity was the

owner of a condominium townhome, the personal obligation to pay such assessment, or installment respecting such condominium townhome shall be both joint and several. The personal obligation for delinquent assessments, or delinquent installments and other such sums, shall not pass to an owner's successors in interest unless expressly assumed by them. No owner may exempt himself from payment of assessments, or installments, by waiver of the use or enjoyment of all or any portion of the common area or by waiver of the use or enjoyment of, or by abandonment of, his condominium townhome.

6.3 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the members of the association, the improvement, replacement, repair, operation and maintenance of the common area and the performance of the duties of the Association as set forth in this declaration.

6.4 Assessments.

6.4.1 Regular Assessments.

6.4.1.1 Not more than sixty (60) days nor less than thirty (30) days before the beginning of each fiscal year of the Association, the board shall meet for the purpose of establishing the regular annual assessment for the forthcoming fiscal year. At such meeting the board shall review written comments received and any other information available to it and, after making any adjustments that the board deems appropriate, without a vote of the members of the Association, shall establish the regular assessment for the forthcoming fiscal year; provided, however, that the board may not establish a regular assessment for any fiscal year of the Association which is more than one hundred twenty percent (120%) of the regular assessment of the prior fiscal year of the Association (except the first such fiscal year of the Association if it should be less than twelve (12) months) without the approval by vote or written consent of members holding fifty-one percent (51%) of the voting rights of each class of members.

6.4.1.3 Unless the Association or its assessment income shall be exempt from federal or state income taxes, to the extent possible, all reserves shall be accounted for and handled as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in such other manner authorized by law or regulations of the Internal Revenue Service as will prevent such funds from being taxed as income of the Association.

6.4.2 Special Assessments. If the board determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including,

but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements on the common area, the board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the board, it shall become a special assessment. The board may, in its discretion, pro rate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each condominium townhome. Unless exempt from federal or state income taxation, all proceeds from any special assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service to avoid, if possible, its taxation as income of the Association.

6.4.3 Limitation Respecting Special Assessments. Any special assessment in excess of five percent (5%) of the budgeted gross expense of the Association for the fiscal year in which a special assessment is levied shall require approval by vote or written consent of fifty-one percent (51%) of the holders of voting rights of each class of members, except in case of a special assessment against an owner as a remedy utilized by the board to reimburse the Association for costs incurred in bringing the member or his condominium townhome into compliance with the provisions of this declaration.

6.5 Uniform Rate of Assessment. Except as otherwise specifically provided in this declaration, including Sections 4.3.1.2, 6.4.3 and 9.6, regular and special assessments must be fixed at a uniform rate for all condominium townhomes and regular and special assessments shall be determined by dividing the amount by the total number of condominium townhomes then within the development and subject to assessment.

6.6 Assessment Period. The regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year, and regular assessments shall be payable in equal monthly installments unless the board adopts some other basis for collection. However, the initial regular assessment period shall commence on the first day of the calendar month following the date on which the sale of the first condominium townhome to a purchaser is closed and recorded (the "initiation date") and shall terminate on December 31 of the year in which the initial sale is closed and recorded. The first regular assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments unless the board adopts some other basis for collection. The Association shall not change the pro rata interest or obligation of any condominium townhome for purposes of levying assessments unless all owners and all institutional first mortgagees have given their prior written consent.

6.7 Notice and Assessment Installment Due Dates. A single ten (10) day prior written notice of each annual regular assessment and each special assessment shall be given to any owner of every condominium townhome subject to assessment in which the due dates for the payments of installments shall be specified. The due dates for the payment of installments normally shall be established by the board. Each installment of regular assessments and special assessments shall become delinquent if not paid within fifteen (15) days after its due date. There shall accrue with each delinquent installment a late charge of Fifteen Dollars (\$15.00) together with interest at the rate of twelve percent (12%) per annum calculated from the due date to and including the date full payment is received by the Association.

6.8 Estoppel Certificate. The board or manager, on not less than twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not to the knowledge of the Association, a particular owner, is in default as to his condominium townhome under the provisions of this declaration and further stating the dates to which installments of assessments, regular or special, have been paid as to such condominium townhome. Any such certificate may be relied on by any prospective purchaser or mortgagee of the condominium townhome, but reliance on such certificate may not extend to any default not involving the payment of assessments of which the signer had no actual knowledge.

7. COLLECTION OF ASSESSMENTS: LIENS

7.1 Right to Enforce. The right to collect and enforce assessments is vested in the board acting for and on behalf of the Association. The board or its authorized representative, including any manager, can enforce the obligations of the owners to pay assessments provided for in this declaration by commencement and maintenance of a suit at law or in equity, or the board may foreclose by judicial proceedings or through the exercise of the power of sale pursuant to Section 7.2 to enforce the lien rights created. Suit to recover a money judgment for unpaid assessments together with all other amounts described in Section 6.2 shall be maintainable without foreclosing or waiving the lien rights.

7.2 Creation of Lien. If there is a delinquency in the payment of any assessment, or installment on a condominium townhome, as described in Section 6.7, any amounts that are delinquent, together with the late charge described in that section, interest at the rate of twelve percent (12%) per annum, and all costs that are incurred by the board or its authorized representative in the collection of the amounts, including reasonable attorney's fees, shall be a lien against such condominium townhome upon the recordation in the office of the County Recorder in which the development is located of a notice of assessment as provided in Idaho Code § 55-1508. The notice of

assessment shall not be recorded unless and until the board or its authorized representative has delivered to the delinquent owner or owners, not less than fifteen (15) days before the recordation of the notice of assessment, a written notice of default and a demand for payment, and unless such delinquency has not been cured within said fifteen (15) day period. The lien shall expire and be void unless, within one (1) year after recordation of the notice of assessment, the board or its authorized representative records a notice of default as provided hereinafter or institutes judicial foreclosure proceedings with respect to such lien.

7.3 Notice of Default; Foreclosure. Not more than one (1) year nor less than fifteen (15) days after the recording of the notice of assessment, the board or its authorized representative can record a notice of default and can cause the condominium townhome with respect to which a notice of default has been recorded to be sold in the same manner as a sale is conducted under a power of sale in a deed of trust, or in any other manner permitted by law, or through judicial foreclosure. However, as a condition precedent to the holding of any such sale appropriate publication shall be made. In connection with any sale, the board is authorized to appoint its attorney, any officer or director, or any title insurance company authorized to do business in Idaho as trustee for purposes of conducting the sale. If a delinquency is cured before sale, or before completing a judicial foreclosure, the board or its authorized representative shall cause to be recorded in the office of the county recorder of the county in which the development is located a certificate setting forth the satisfaction of such claim and release of such lien upon payment of actual expenses incurred, including reasonable attorney's fees by any delinquent owner. During the pendency of any foreclosure proceeding, whether judicial or by power of sale, the owner shall be required to pay to the Association reasonable rent for the condominium townhome and the Association shall be entitled to the appointment of a receiver to collect the rent. On becoming delinquent in the payment of any assessments, or installments each delinquent owner shall be deemed to have absolutely assigned all rent, issues and profits of his condominium townhome to the Association and shall further be deemed to have consented to the appointment of a receiver (which appointment may, at the election of the Association, be enforced by the Association through specific performance). The Association, acting on behalf of the owners, shall have the power to bid upon the condominium townhome at foreclosure sale and to acquire, hold, lease, mortgage and convey the condominium townhome.

7.4 Waiver of Exemptions. Each owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Section 7, the benefit of any homestead or exemption laws of Idaho in effect at the time any assessment, or installment, becomes delinquent or any lien is imposed.

8. INSURANCE

8.1 Liability Insurance. The Association shall obtain and maintain comprehensive public liability insurance insuring the Association, any manager, the declarants and the owners and occupants of condominium townhomes, and their respective family members, guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the common area and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than \$1,000,000 covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for non-owned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to projects similar in construction, location, and use.

8.2 Fire and Extended Coverage Insurance. The Association also shall obtain and maintain a master or blanket policy of fire insurance for the full insurable value of all of the improvements with the development. The form, content, and term of the policy and its endorsements and the issuing company must be satisfactory to all institutional first mortgagees. If more than one institutional first mortgagee has a loan of record against a condominium townhome in the development, the policy and endorsements shall meet the maximum standards of the various institutional first mortgagees represented in the development. The policy shall contain an agreed amount endorsement or its equivalent, an increased cost of construction endorsement, vandalism, malicious mischief coverage, a special form endorsement and a determinable cash adjustment clause or a similar clause to permit cash settlement covering full value of the improvements in case of partial destruction and a decision not to rebuild. The policy shall provide amounts of coverage as shall be determined by the board. The policy shall name as insured the Association, the owners and declarant, as long as declarant is the owner of any condominium townhome, and all mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee described hereinafter.

8.3 Individual Fire Insurance Limited. Except as provided in this Section, no owner shall separately insure his unit against loss by fire or other casualty covered by any insurance carrier under Section 8.2. If any owner violates this provision, any diminution in insurance proceeds otherwise payable under policies described in Section 8.2 that results from the existence of such other insurance will be chargeable to the owner who acquired other insurance, and such owner will be liable to the Association to the extent of any such diminution. An owner can insure his personal property against loss. In addition, any

improvements made by an owner within his unit may be separately insured by the owner, but the insurance is to be limited to the type and nature of coverage commonly known as "tenant's improvements." All such insurance that is individually carried must contain a waiver of subrogation rights by the carrier as to other owners, the Association, declarant and institutional first mortgagee of such condominium townhome.

8.4 Trustee. All insurance proceeds payable under Section 8.2 and 8.3, subject to the rights of mortgagees under Section 8.8, may be paid to a trustee, to be held and expended for the benefit of the owners, mortgagees and others, as their respective interests shall appear. Said trustee shall be a commercial bank in the county in which the development is located that agrees in writing to accept such trust. If repair or reconstruction is authorized, the board shall have the duty to contract for such work as provided for in this declaration.

8.5 Other Insurance. The board may and, if required by any institutional first mortgagee, shall purchase and maintain demolition insurance in adequate amounts to cover demolition in case of total or partial destruction and a decision not to rebuild. The board also shall purchase and maintain worker's compensation insurance, to the extent that it is required by law, for all employees or uninsured contractors of the Association. The board also shall purchase and maintain fidelity bonds or insurance (which shall be in an amount not less than 150% of each year's estimated annual operating expenses and reserves and shall contain an endorsement of coverage of any person who may serve without compensation) sufficient to meet the requirements of any institutional first mortgagee. The board shall purchase and maintain such insurance on personal property owned by the Association, and any other insurance, that it deems necessary or that is required by any institutional first mortgagee.

8.6 Owner's Insurance. An owner may carry whatever personal liability and property damage liability insurance with respect to his condominium townhome that he desires. However, any such policy shall include a waiver of subrogation clause acceptable to the board and to any institutional first mortgagee.

8.7 Adjustment of Losses. The board is appointed attorney-in-fact by each owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Section 8.1, 8.2 and 8.5. The board is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

8.8 Distribution to Mortgagees. Any mortgagee has the option to apply insurance proceeds payable on account of a

condominium townhome in reduction of the obligation secured by the mortgage of such mortgagee.

9. DESTRUCTION OF IMPROVEMENTS

9.1 Destruction; Proceeds Exceed 85% of Reconstruction Costs. If there is a total or partial destruction of the improvements in the development, and if the available proceeds of the insurance carried pursuant to Section 8 are sufficient to cover not less than eighty-five percent (85%) of the costs of repair and reconstruction, the improvements shall be promptly rebuilt unless, within ninety (90) days from the date of destruction, members then holding at least seventy-five percent (75%) of the total voting power of each class of members present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that such repair and reconstruction shall not take place. If repair and reconstruction is to take place, the board shall be required to execute, acknowledge and record in the office of the County in which the development is located not later than one hundred twenty (120) days from the date of such destruction, a certificate declaring the intention of the members to rebuild.

9.2 Destruction; Proceeds Less than 85% of Reconstruction Costs. If the proceeds of insurance are less than eighty-five percent (85%) of the costs of repair and reconstruction, repair and reconstruction may nevertheless take place if, within ninety (90) days from the date of destruction, members then holding at least fifty-one percent (51%) of the total voting power of each class of members present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that such repair and reconstruction shall take place. If repair and reconstruction is to take place, the board shall execute, acknowledge and record in the office of the county recorder of the County in which the development is located not later than one hundred twenty (120) days from the date of such destruction a certificate declaring the intention of the members to rebuild.

9.3 Rebuilding Procedures. If the members determine to rebuild, pursuant to Sections 9.1 or 9.2, each owner shall be obligated to contribute his proportionate share of the cost of reconstruction or restoration over and above the available insurance proceeds. The proportionate share of each owner shall be equal to a fraction the numerator of which is one (1) and the denominator of which is the number of condominium townhomes in the development. If any owner fails or refuses to pay his proportionate share, the board may levy a special assessment against the condominium townhome of such owner which may be enforced under the lien provisions contained in Section 7 or in any other manner provided in this declaration. If any owner disputes the amount of his proportionate liability under this Section, such owner may contest the amount of his liability by submitting to the board within ten (10) days after notice to the owner of his share

of the liability written objections supported by cost estimates or other information that the owner deems to be material and may request a hearing before the board at which he may be represented by counsel. Following such hearing, the board shall give written notice of its decision to all owners, including any recommendation that adjustments be made with respect to the liability of any owners. If such adjustments are recommended, the notice shall schedule a special meeting of members for the purpose of acting upon the board's recommendation, including making further adjustments, if deemed by the members to be necessary or appropriate. All adjustments shall be affirmed or modified by a majority of the total voting power of each class of members. If no adjustments are recommended by the board, the decision of the board shall be final and binding on all owners, including any owner filing objections.

9.4 Rebuilding Contract. If the members determine to rebuild, the board or its authorized representative shall obtain bids from at least two reputable contractors and shall award the repair and reconstruction work to the lowest bidder. The board shall have the authority to enter into a written contract with the contractor for such repair and reconstruction, and the insurance proceeds held by the trustee shall be disbursed to the contractor according to the terms of the contract. It shall be the obligation of the board to take all steps necessary to assure the commencement and completion of authorized repair and reconstruction at the earliest possible date.

9.5 Rebuilding Not Authorized. If the members determine not to rebuild, then, subject to the rights of mortgagees under Section 8.8, any insurance proceeds then available for such rebuilding shall be distributed to the owner of each condominium townhome in proportion to his respective percentage undivided interest in the common area. The board shall have the duty, within one hundred twenty (120) days from the date of such destruction, to execute, acknowledge and record in the office of the County Recorder of said County, a certificate declaring the intention of the members not to rebuild.

9.6 Minor Repair and Reconstruction. The board shall have the duty to repair and reconstruct improvements, without the consent of members and irrespective of the amount of available insurance proceeds, in all cases of partial destruction when the estimated cost of repair and reconstruction does not exceed Twenty Thousand Dollars (\$20,000.00). The board is expressly empowered to levy a special assessment for the cost of repairing and reconstructing improvements to the extent insurance proceeds are unavailable, such assessment to be levied as described in Section 9.3 (but without the consent or approval of members, despite any contrary provisions in this declaration).

9.7 Revival of Right to Partition. On recordation of a certificate described in Section 9.5, the right of any owner to partition through legal action as described in Section 11 shall revive immediately.

10. CONDEMNATION

10.1 Sale by Unanimous Consent. If an action for condemnation of all or a portion of the development is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the owners and after written notice to all mortgagees, the development, or a portion of it may be sold by the board acting as irrevocable attorney-in-fact of all of the owners for a price deemed fair and equitable by the board but in no event less than the aggregate unpaid balance of all mortgages encumbering condominium townhomes in the development.

10.2 Distribution of Proceeds of Sale. On a sale occurring under Section 10.1, the proceeds shall be distributed to the owner and the mortgagees of each condominium townhome as their respective interests may appear in proportion to each owner's respective percentage undivided interest in the common area.

10.3 Distribution of Condemnation Award. If the development, or a portion of it, is not sold but is instead taken, the judgment of condemnation shall by its terms apportion the award among the owners and their respective mortgagees.

10.4 Revival of Right to Partition. On sale or on taking that renders more than fifty percent (50%) of the units in the development uninhabitable, the right of any owner to partition through legal action shall revive immediately.

11. PARTITION

11.1 Suspension. The right of partition is suspended pursuant to Idaho law as to the development. Partition of the development can be had on a showing that the conditions for such partition as stated in this Section 9.7 or in Section 10.4 have been met. Nothing in this declaration shall prevent partition or division of interest between joint or common owners of any condominium townhome.

11.2 Distribution of Proceeds. Proceeds or property resulting from a partition shall be distributed to and among the respective owners and their mortgagees as their interests appear in proportion to each owner's respective percentage undivided interest in the common area.

11.3 Power of Attorney. Each of the owners hereby grants the Association an irrevocable power of attorney to sell the

development for the benefit of the owners when partition can be had. Exercise of said power is subject to the approval of members and their institutional first mortgagees.

12. NON-SEVERABILITY OF COMPONENT INTERESTS IN A CONDOMINIUM TOWNHOME

12.1 Prohibition Against Severance. An owner shall not be entitled to sever his unit in any condominium townhome from his membership in the Association, and shall not be entitled to sever his unit and his membership from his undivided interest in the common area for any purpose. None of the component interests in a condominium townhome can be severally sold, conveyed, encumbered, hypothecated or otherwise dealt with, and any violation or attempted violation of this provision shall be appurtenant to his unit over the common area from his condominium townhome, and any attempt to do so shall be void. The suspension of such right of severability will not extend beyond the period set forth in Section 11 respecting the suspension of partition. It is intended hereby to restrict severability.

12.2 Conveyances. After the initial sales of the condominium townhomes, any conveyance of a condominium townhome by an owner shall be presumed to convey the entire condominium townhome. However, nothing contained in this section shall preclude the owner of any condominium townhome from creating a cotenancy or joint tenancy in the ownership of the condominium townhome with any other person or persons.

13. TERM OF DECLARATION

This declaration shall run with the land and shall continue in full force and effect for a period of fifty (50) years from the date on which this declaration is executed. After that time, this declaration and all covenants, conditions, restrictions and other provisions shall be automatically extended for successive ten (10) year periods unless this declaration is revoked by an instrument executed by owners and their respective institutional first mortgagees of not less than three-fourths (3/4) of the condominium townhomes in the development and recorded in the office of the county recorder of the county in which the development is located.

14. PROTECTION OF MORTGAGEES

14.1 Mortgage Permitted. Any owner may encumber his condominium townhome with a mortgage.

14.2 Subordination. Any lien created or claimed under the provisions of this declaration is expressly made subject and subordinate to the rights of any mortgage that encumbers all or a portion of the development, or any condominium townhome, made in

good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such mortgage unless the mortgagee expressly subordinates his interest, in writing, to such lien.

14.3 Amendment. The prior written consent of seventy-five percent (75%) of the holders of all first mortgagees (based upon one vote for each mortgage held) shall be required to any material amendment to this declaration, to the articles or to the bylaws. As used in this section 14.3, the term "any material amendment" is defined to mean amendments to provisions of this declaration, to the articles or to the bylaws governing the following subjects:

14.3.1 The purpose for which the development may be used;

14.3.2 Voting;

14.3.3 Assessments, collection of assessments, creating and subordination of assessment liens;

14.3.4 Reserves for repair and replacement of common area improvements;

14.3.5 Maintenance of common area and improvements thereon;

14.3.6 Casualty and liability insurance;

14.3.7 Rebuilding or reconstruction of common area and improvements thereon, in the event of damage or destruction;

14.3.8 Rights of use to and in the common area;

14.3.9 Annexation of additional property; and

14.3.10 Any provision, which by its terms, is specifically for the benefit of first mortgagees, or specifically confers rights on first mortgagees.

14.4 Restrictions on Certain Changes.

Unless seventy-five percent (75%) of first mortgagees of condominium townhomes have given their prior written approval, neither the Association nor the owners shall be entitled:

14.4.1 by act or omission to seek to abandon or terminate the condominium townhome project, except for abandonment provided by statute in case of substantial loss to the units and common area;

14.4.2 to change the method of determining the obligations, assessments, dues or other charges which may be levied against an owner, or to change the pro rata interest or obligations of any condominium townhome for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each owner in the common area;

14.4.3 to partition or subdivide any unit;

14.4.4 by act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the common area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common area by the Association or the owners shall not be deemed to be a transfer within the meaning of this clause.

14.4.5 to use hazard insurance proceeds for losses to units or common area improvements in the development or to any other Association property, for other than the repair, replacement or reconstruction of such improvements or property except as provided by statute in case of substantial loss to the units or common area of the development.

14.4.6 by act or omission to change, waive, or abandon the provisions of this declaration, or the enforcement thereof, pertaining to architectural design or control of the exterior appearance of structures in the development, the maintenance of the common area, walks or fences and driveways, or the upkeep of lawns and plantings in the development.

14.4.7 to sue or authorize suit against Declarants for any violation of this Declaration.

14.5 Right to Examine Books and Records. Institutional first mortgagees can examine the books and records of the Association or the condominium townhome project and can require the submission of financial data concerning the Association or the condominium townhome project, including annual audit reports and operating statements as furnished to the owners.

14.6 Distribution of Insurance and Condemnation Proceeds. No owner, or any other party, shall have priority over any right of institutional first mortgagees of condominium townhomes pursuant to their mortgages in case of a distribution to owners of insurance proceeds or condemnation awards for losses to or a taking of units or common area. Any provision to the contrary in this declaration or in the bylaws or other documents relating to the development is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected institutional first mortgagees naming the mortgagees, as their interests may appear.

14.7 Amenities. All amenities (such as parking, recreation and service areas) and common area shall be available for use by owners and all such amenities with respect to which regular or special assessments for maintenance or other uses may be levied shall constitute common area. All such amenities shall be owned in fee by the owners in undivided interests or by the Association free of encumbrances except for any easements granted for public utilities or for other public purposes consistent with the intended use of such property by the owners or by the Association.

14.8 Notices to Mortgagees of Record. Upon any loss to any unit covered by a mortgage, if such loss exceeds One Thousand Dollars (\$1,000.00) or on any loss to the common area, if such loss exceeds Ten Thousand Dollars (\$10,000.00), or on any taking of the common area, notice in writing of such loss or taking shall be given to each mortgagee of record. If any owner of a unit is in default under any provision of these covenants, conditions and restrictions, or under any provision of the bylaws or the Association rules, which default is not cured within thirty (30) days after written notice to such owner, the Association shall give to the mortgagee of record of such owner written notice of such default and of the fact that said thirty (30) day period has expired.

14.9 Voting Rights on Default. In case of default by any owner in any payment due under the terms of any institutional first mortgage encumbering such owner's condominium townhome, or the promissory note secured by the mortgage, the mortgagee or his representative, on giving written notice to such defaulting owner or owners, and placing of record a notice of default, is hereby granted a proxy and can exercise the voting rights of such defaulting owner attributable to such condominium townhome at any regular or special meeting of the members held during such time as such default may continue.

14.10 Payments by Mortgagees. Mortgagees of condominium townhomes may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the common area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for common area improvements or other insured property of the Association and, upon making any such payments, such mortgagees shall be owed immediate reimbursement therefor from the Association. This provision shall constitute an agreement by the Association for the express benefit of all mortgagees and upon request of any mortgagee the Association shall execute and deliver to such mortgagee a separate written agreement embodying the provisions of this Section 14.10.

14.11 Effect of Breach. No breach of any provision of these covenants, conditions and restrictions shall invalidate

the lien of any mortgage in good faith and for value, but all of covenants, conditions and restrictions shall be binding on any owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

14.12 Foreclosure. If any condominium townhome is encumbered by a mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the mortgage. On foreclosure of the mortgage, the lien for assessments, or installments, that has accrued up to the time of foreclosure shall be subordinate to the lien of the mortgage, with the foreclosure-purchaser taking title to the condominium townhome free of the lien for assessments, or installments, that has accrued up to the time of the foreclosure sale. On taking title to the condominium townhome the foreclosure-purchaser shall only be obligated to pay assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title to the condominium townhome. The subsequently levied assessments or other charges may include previously unpaid assessments provided all owners, including the foreclosure-purchaser, and his successors and assigns are required to pay their proportionate share as provided in this section.

14.13 Non-Curable Breach. Any mortgagee who acquires title to a condominium townhome by foreclosure or by deed in lieu of foreclosure or assignment-in-lieu of foreclosure shall not be obligated to cure any breach of this declaration that is non-curable or of a type that is not practical or feasible to cure.

14.14 Loan to Facilitate. Any mortgage given to secure a loan to facilitate the resale of a condominium townhome after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by an assignment-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Section 14.

14.15 Appearance at Meetings. Because of its financial interest in the development, any mortgagee may appear (but cannot vote except under the circumstances set forth in Section 14.9) at meetings of the members and the board to draw attention to violations of this declaration that have not been corrected or made the subject of remedial proceedings or assessments.

14.16 Right to Furnish Information. Any mortgagee can furnish information to the board concerning the status of any mortgage.

14.17 Inapplicability of Right of First Refusal to Mortgagee. No right of first refusal or similar restriction on

the right of an owner to sell, transfer or otherwise convey the owner's condominium townhome shall be granted to the Association without the written consent of any mortgagee of the condominium townhome. Any right of first refusal or option to purchase a unit that may be granted to the Association (or other person, firm or entity) shall not apply to any conveyance or transfer of title to such condominium townhome, whether voluntary or involuntary, to a mortgagee which acquires title to or ownership of the unit pursuant to the remedies provided in its mortgage or by reason of foreclosure of the mortgage or deed or assignment in lieu of foreclosure.

14.18 Contracts with Declarants. Any agreement between the Association and declarant pursuant to which the declarant agrees to provide services shall provide for termination by either party without cause or payment of a termination fee on thirty (30) days written notice and shall have a maximum contract term of one (1) year; provided that the board can renew any such contract on a year-to-year basis.

15. AMENDMENT

15.1 Amendment Before the Close of First Sale. Before the close of the first sale of a condominium townhome in the development to a purchaser other than declarants, this declaration and any amendments to it may be amended in any respect or revoked by the execution by declarant and any mortgagee of record of an instrument amending or revoking the declaration. The amending or revoking instrument shall make appropriate reference to this declaration and its amendments and shall be acknowledged and recorded in the office of the county recorder of the county in which the development is located.

15.2 Amendment After Close of First Sale. After the close of the first sale of a condominium townhome in the development to a purchaser other than declarant, this declaration may be amended or revoked in any respect by the vote or written consent of the holders of not less than seventy-five percent (75%) of the voting rights of each class of members. However, if any provision of this declaration requires a greater or lesser percentage of the voting rights of any class of members in order to take affirmative or negative action under such provision, the same percentage of such class or classes of members shall be required to amend or revoke such provision. Also, if the consent or approval of any governmental authority, mortgagee or other person, firm, agency or entity is required under this declaration with respect to any amendment or revocation of any provision of this declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of such first sale shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association and shall make

appropriate reference to this declaration and its amendments and shall be acknowledged and recorded in the office of the county recorder of the county in which the development is located.

15.3 Conflict with Section 14 or Other Provisions of this Declaration. To the extent any provisions of this Section 15 conflict with the provisions of Section 14 or any other provision of this declaration, except those contained in Section 15.4, the provisions of Section 14 or the other provisions shall control.

15.4 Reliance on Amendments. Any amendments made in accordance with the terms of this declaration shall be presumed valid by anyone relying on them in good faith.

15.5 Amendments to Conform with Mortgagee Requirements. It is the intent of declarant that this declaration and the articles and bylaws of the association, and the development in general, shall now and in the future meet all requirements necessary to purchase, guarantee, insure or subsidize any mortgage of a condominium townhome in the development by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Housing Administration and the Veterans' Administration. In furtherance of that intent, declarants expressly reserve the right and shall be entitled by unilateral amendment of the declaration so long as declarant owns more than twenty-five percent (25) of the condominium townhomes in the development to amend this declaration in order to incorporate any provisions or to enter into any agreement on behalf of and in the name of the Association that are, in the opinion of any of the cited entities or governmental agencies, required to conform the declaration, the articles, the bylaws or the development to the requirements of any of the entities or governmental agencies, including without limitation, the execution on behalf of and in the name of the Association of a regulatory agreement between the Association and the Federal Housing Commissioner and any other agreement sufficient to satisfy the requirements for mortgage purchase, guarantee or insurance by any of said entities or agencies. Declarants are hereby granted an irrevocable power of attorney to execute any such amendment or agreement by and in the name of the Association. Each owner of a condominium townhome and each mortgagee of a condominium townhome by acceptance of a deed or encumbrance of a condominium townhome consents to the incorporation in this declaration of any such provisions and to the execution of any amendment or regulatory agreement and agrees to be bound by any such provisions as if they were incorporated in this declaration. The board and each owner shall take any action or shall adopt any resolutions required by declarant or any mortgagee to conform this declaration or the development to the requirements of any of said entities or agencies.

16. GENERAL PROVISIONS

16.1 Headings. The headings used in this declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this declaration.

16.2 Severability. The provisions of this declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provisions or portions of it shall not invalidate any other provisions.

16.3 Cumulative Remedies. Each remedy provided for in this declaration shall be cumulative and not exclusive. Failure to exercise any remedy provided for in this declaration shall not, under any circumstances, be construed as a waiver thereof.

16.4 Violations as Nuisance. Every act or omission in violation of the provisions of this Declaration shall constitute a nuisance and, in addition to all other remedies herein set forth, may be abated or enjoined by any owner, any member of the board, the manager, or the Association.

16.5 No Racial Restriction. No owner shall execute or cause to be recorded any instrument which imposes a restriction upon the sale, leasing or occupancy of his lot on the basis of race, sex, color or creed.

16.6 Access to Books. Any owner may, at any reasonable time and upon reasonable notice to the board or manager at his own expense, cause an audit or inspection to be made of the books and financial records of the Association.

16.7 Liberal Construction. The provisions of this declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision thereafter.

16.8 Notification of Sale of Condominium Townhome. Concurrently with the consummation of the sale of any condominium townhome under circumstances whereby the transferee becomes an owner thereof, or within five (5) business days thereafter, the transferee shall notify the board in writing of such sale. Such notification shall set forth the name of the transferee and his mortgagee and transferor, the common address of the condominium townhome purchased by the transferee, the transferee's and the mortgagee's mailing address, and the date of sale. Prior to the receipt of such notification, any and all communications required or permitted to be given by the Association, the board or the manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor. Mailing addresses may be changed at any time upon written notification to the board. Notices shall be deemed received forty-

eight (48) hours after mailing if mailed to the transferee, or to his transferor if the board has received no notice of transfer as above provided, by certified mail, return receipt requested, at the mailing address above specified. Notices shall also be deemed received twenty-four (24) hours after being sent by telegram or upon personal delivery to any occupant of a condominium townhome over the age of twelve (12) years.

16.9 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

16.10 Exhibits. All exhibits referred to are attached to this declaration and incorporated by reference.

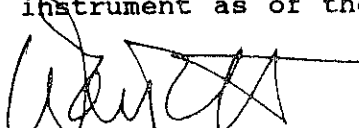
16.11 Easements Reserved and Granted. Any easements referred to in this declaration shall be deemed reserved or granted, or both reserved and granted, by reference to this declaration in a deed to any condominium townhome.

16.12 Binding Effect. This declaration shall inure to the benefit of and be binding on the successors and assigns of the declarant, and the heirs, personal representatives, grantees, tenants, successors and assigns of the owners.

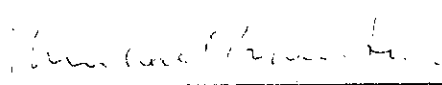
16.13 Unsegregated Real Estate Taxes. Until such time as real property taxes have been segregated by the county assessor of the county in which the development is located, they shall be paid by the respective owners of condominium townhomes. The proportionate share of the taxes for a particular condominium townhome shall be determined by dividing the initial sales price or offered initial sales price of the condominium townhome by the total initial sales prices and offered initial sales prices of all condominium townhomes within the development (the term "offered initial sales price" means the price at which an unsold condominium townhome is then being offered for sale by declarant). If, and to the extent, that taxes are not paid by any owner of a condominium townhome and are allowed to become delinquent, they shall be collected from the delinquent owner by the Association.

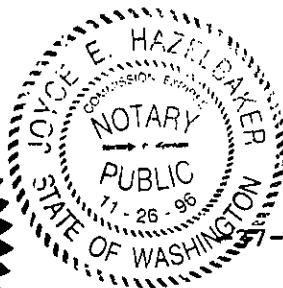
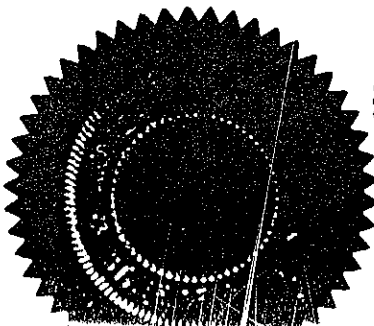
Declarants have executed this instrument as of the ____ day of April, 1995.

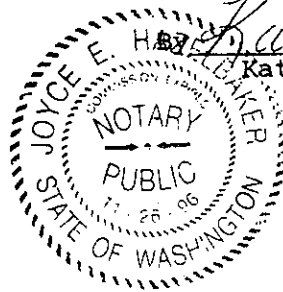
By


Wayne E. Roth

By


Michael Brownfield





Kathleen Brownfield
Kathleen Brownfield

STATE OF Idaho)
County of Blaine) ss.

On this 25th day of April, 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Wayne Roth, known to me or proved to me upon satisfactory evidence to be the person whose name subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

andrea noelle mcgee
Notary Public for Idaho
Residing at Blaine County
Commission expires 12-2000

STATE OF Washington)
County of Pierce) ss.

On this 21st day of April, 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Michael Brownfield, known to me or proved to me upon satisfactory evidence to be the person whose name subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

Jane E. Haddaker
Notary Public for Washington
Residing at Tacoma
Commission expires 11/96

STATE OF Washington)
County of Pierce) ss.

On this 21st day of April, 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Kathleen Brownfield, known to me or proved to me upon satisfactory evidence to be the person whose name subscribed to the within instrument, and acknowledged to me that she executed the same.

WITNESS my hand and official seal.

James E. Highland
Notary Public for Washington
Residing at Tacoma
Commission expires 11/96

rlp\doc\highland.ccr

EXHIBIT "A"

DESCRIPTION OF REAL PROPERTY

Lot 25, THE HIGHLANDS PHASE 2 AMENDED, located within
Sections 16 and 17, Township 4 North. Range 18 East,
Boise Meridian, City of Sun Valley, Blaine County, Idaho.

EXHIBIT "B"
COMMON AREA OWNERSHIP INTEREST

BUILDING A

UNIT 1A	=	16.667%
UNIT 2A	=	16.667%

BUILDING B

UNIT 1B	=	16.667%
UNIT 2B	=	16.667%

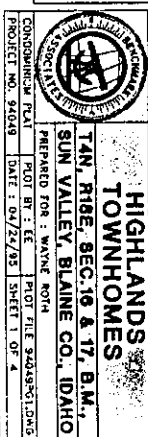
BUILDING C

UNIT 1C	=	16.667%
UNIT 2C	=	16.667%

EXHIBIT "C"
CONDOMINIUM TOWNHOME PLAN

SHEET 1 OF 4

APRIL 1995

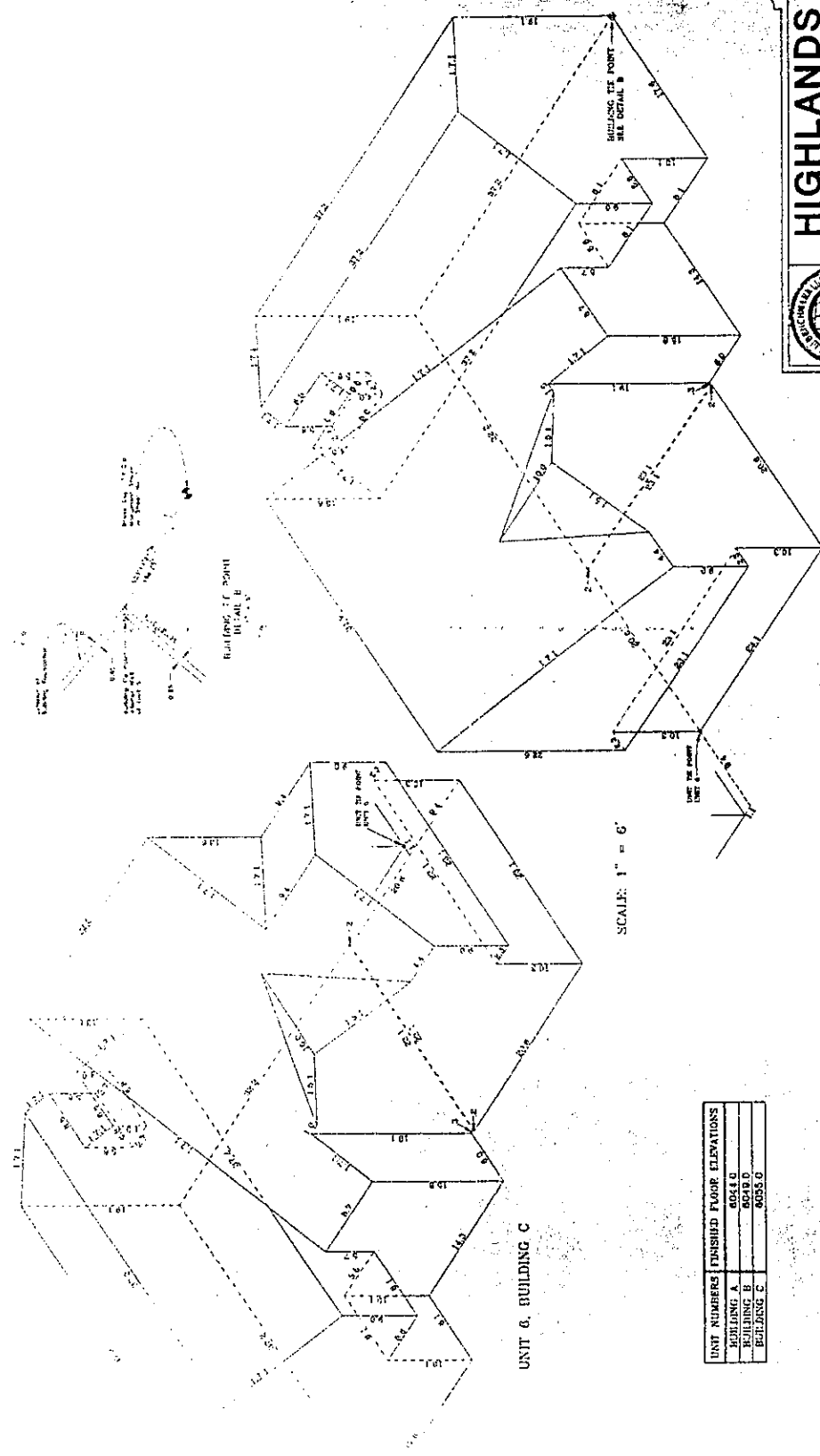


44 FT

HIGHLANDS TOWNHOMES

A CONDOMINIUM SUBDIVISION LOCATED IN T4N, R18E, SECTIONS 16 & 17, B.M.
CITY OF SUN VALLEY, BLAINE COUNTY, IDAHO

UNIT 180



SCALE: 1" = 6'

UNIT NUMBERS	FINISHED FLOOR ELEVATIONS
BUILDING A	6044.0
BUILDING B	6048.0
BUILDING C	6055.0



HIGHLANDS TOWNHOMES
T4N, R18E, SEC. 16 & 17, B.M.
BLAINE CO., IDAHO

UNIT 5, BUILDING C

PREPARED BY: BENCHMARK ASSOCIATES, KETCHUM, IDAHO

SHEET 3 OF 4

HIGHLANDS TOWNHOMES

SHEET 4 OF 4

OWNER'S CERTIFICATE

I, WILLIAM S. BROWNFIELD, do hereby certify that the above described premises are the property of WILLIAM S. BROWNFIELD, and that the same are located in BLAINE COUNTY, MONTANA, and that the same are subject to the provisions of the BLAINE COUNTY TOWNHOMES ACT, Chapter 15, Section 10-1-1, MCA.

ACKNOWLEDGEMENT

On this 19th day of August, 1988, before me, the undersigned, a Notary Public for said State, personally appeared WILLIAM S. BROWNFIELD, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

My Commission Expires 1990

WILLIAM S. BROWNFIELD, Owner
Signed this 19th day of August, 1988

WILLIAM S. BROWNFIELD, Owner
Signed this 19th day of August, 1988

ACKNOWLEDGEMENT

STATE OF MONTANA
COUNTY OF BLAINE

On this 19th day of August, 1988, before me, the undersigned, a Notary Public for said State, personally appeared WILLIAM S. BROWNFIELD, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

My Commission Expires 1990

SURVEYOR'S CERTIFICATE

I, WILLIAM S. BROWNFIELD, a duly Registered Land Surveyor for the State of Montana, do hereby certify that this is a true and correct map of the above described premises, and that the same are located in BLAINE COUNTY, MONTANA, and that the same are subject to the provisions of the BLAINE COUNTY TOWNHOMES ACT, Chapter 15, Section 10-1-1, MCA.

CITY ENGINEER'S APPROVAL

I, WILLIAM S. BROWNFIELD, City Engineer for the City of Blaine, Montana, do hereby approve the foregoing plat.

COUNTY SURVEYOR'S APPROVAL

I, WILLIAM S. BROWNFIELD, County Surveyor for the County of Blaine, Montana, do hereby certify that this is a true and correct map of the above described premises, and that the same are located in BLAINE COUNTY, MONTANA, and that the same are subject to the provisions of the BLAINE COUNTY TOWNHOMES ACT, Chapter 15, Section 10-1-1, MCA.

SUN VALLEY CITY COUNCIL'S APPROVAL

The foregoing plat was approved and accepted by the City Council of the City of Blaine, Montana, on this 19th day of August, 1988.

BLAINE COUNTY TREASURER'S CERTIFICATE

On this 19th day of August, 1988, the foregoing plat was approved and accepted by the Blaine County Treasurer, William S. Brownfield, Blaine County, Montana.

COUNTY RECORDER'S CERTIFICATE

I hereby certify that this instrument was filed in the office of the County Recorder of Blaine County, Montana, on this 19th day of August, 1988, at 10:00 o'clock AM, and that the same is a true and correct copy of the original instrument as recorded in book 100 of plats of plat 100.

Instrument No. 100